

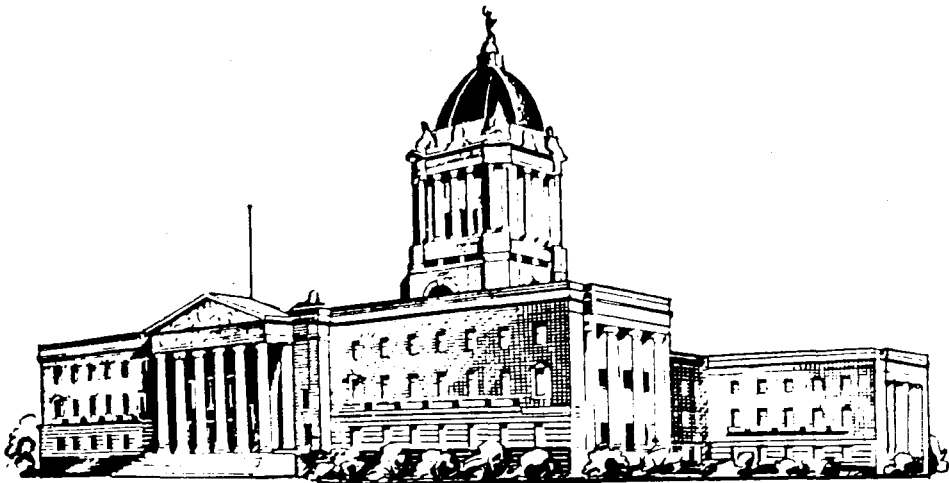


Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXIII No. 34 8:00 p.m., Thursday, March 11th, 1976. Third Session, 30th Legislature.

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8 p.m., Thursday, March 11, 1976

SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN: I refer honourable members to Page 58, Resolution 112(b). The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. Mr. Chairman, I would like briefly to have a bit of a discussion with the Minister regarding the position that they have taken as a government. I must say that I realize that this is government policy but there is no question that the system they are going to use at the present time of the two percent or two points which are being given to the cities and municipalities in Manitoba, although the government believes that it is a good system, I think it's one that they are not looking to the future. One of the reasons that they're not looking to the future is it would seem that it's a very political thing.

Mr. Chairman, the two points that I'm referring to is going to put the cities in the position of, if they want to raise more money on this progressive tax, that they are going to make a request to the government for a city to collect more money. So if the cities are going to continue to be in very dire straits as far as finance is concerned, yes, naturally they will put it on and you'll probably receive some requests and as they continue to get in dire straits the government will find that the cities are probably bringing the personal income tax up to maybe 46, 48, whatever it may be which goes back to the cities. The government is not looking ahead because there's going to come a time when there'll be no room for the government to take a look at taxes if they have to.

You know you're just not looking to the future in this respect and you are putting yourselves in the position of the cities and municipalities being the bad guys. Every time there's tax increases you say, well they're raising the taxes because they're spending more money, it's not us. This government turns around and when they get back to this situation, what happens? It's the cities and the municipalities that are raising the taxes and it's the government that's always giving money back with your tax rebate. That to me looks like a vote-getting situation as far as taxing is concerned.

Now let's be realistic about it. Let's be realistic about it. Last year I said to the House that if the government, I said it after the meeting was held down at City Hall where they were requesting that \$50 million be turned over approximately to the cities and municipalities and at that time I said if you could arrange possibly, possibly to get a half of that to the cities and municipalities, you would be helping them over an inflationary situation. But no. No, the government says no, we are not going to do it that way; they are going to have to make the request.

Well this year, Mr. Chairman, if you take a look at it as was said last night, and it's only an estimated figure, if there's \$17 million to \$18 million come in with the two points on personal tax and the one point on corporation that's not enough. The cities and municipalities in an inflationary situation need more than that at the present time. Now I'm not saying three years from now that it couldn't go down, maybe it could if their costs and what-have-you go down. But I'm saying right now they're in that position.

But what's the government going to do this year? They are going to get it up to \$17 million and when you turn over and look at the Finance Estimates, Mr. Chairman - and I'm not going to talk Finance - but in the Finance Estimates they have increased the tax rebate from \$67 million to 77 million this year. So there's obviously going to be when the Budget is presented some rosy things being done but there's \$10 million there going on tax rebate, more than there was last year. Now why? So what happens? The cities become the people that raise the personal income taxes, not this government and the government's always in the position of giving the people their money back.

Now, Mr. Chairman, why?--(Interjection)--No, property tax back. But I mean it's always the case of the government giving money back and the cities and municipalities will be the ones raising the property tax or the personal income tax. You know, that's just games. That's just games. Really that \$10 million would be better off to help the cities and municipalities out of their inflationary problems. The City of Winnipeg does need some help; the City of Brandon needs it; the City of Thompson needs it. They all need it; they all need it and what have you said to them this year? We've been real

## SUPPLY - URBAN AFFAIRS

(MR. F. JOHNSTON cont'd) . . . . nice fellows to you; we've increased it by maybe four to five million dollars for the whole of the province, is your increase. Now isn't that nice. When inflation problems in the cities and municipalities are bad at the present time, that's your answer. You make them collect or increase the personal income tax in Manitoba which is complete walking away from the responsibility of the Provincial Government, is completely walking away from your responsibility just so that you can sit and say we're the nice guys giving you back money. Now it's obvious, the facts are in the Budget. You're going to give another 10 million back on property tax rebate this year increase when really the most necessary place that you could help people on their city taxes this year is help the cities out. But you say oh no, we've got to give it to the people. That's fine, that's fine. But there comes a time when you should be helping the other way too. So, Mr. Chairman, you know the two percent is a situation of not looking into the future as far as being a government concerned who is taking care of their responsibilities.

Mr. Chairman, the members have mentioned often again, and it's the Member from St. Johns who's the Minister of one-coloured toothbrushes, but quite frankly, quite frankly the situation is this, that hotel taxes increases will be paid not only by people from out of town, they'll be paid by people who live in Manitoba coming to Winnipeg. So the hotels, you know, you increase their tax and the tax they collect, it will be paid by Manitobans.

You talk about competition and you mention Toronto and what-have-you, that you want to put Winnipeg in competition with Brandon and Thompson in competition with other cities. If somebody puts a tax on liquor - say they put 2.4 points on liquor in Winnipeg and they put one point on it in Portage la Prairie; believe me you'd have all the liquor being bought in Portage la Prairie. It would happen to you. What kind of hodge-podge type of things are you suggesting to the city when you can actually keep them in a good financial position - and I say good. I'm not saying that they should have part of all these things that was suggested at that Urban meeting last year, I am saying they need a certain amount of help in an inflationary period, more than they're getting at the present time; and I am saying that you're putting yourself in the position of having them increase the personal income tax and maybe getting yourself in a box later on. I'm also saying that you fellows are forcing them to be the bad guys and you guys are the big guys all the time as the Provincial Government, giving back money and doing it because you are basically running away from your responsibilities.--(Interjection)--Well, it's in the budget what you're going to do and what you're playing games at. And it's at the expense of cities who are finding inflationary problems and, you know, if you'd just help them a little bit more, \$10 million or so out of your billion dollar budget you would find that they could overcome a lot of their problems.

Mr. Speaker, it was mentioned by the Minister that they had a lot of guts making this city one city, and I never heard a truer statement, not from the point of view that they did it, but it took a lot of guts to really throw the city into the position they did. We told them at the time the commissioner system wouldn't work, and it doesn't. It's been proved wrong. The committee system in the city would work. I don't think any aldermen should get any extra for being on any committee, and I don't think you need an Executive Council. You have the committee system, the treasurer, you have the engineer, you have the committees who recommend the council, and decisions are made in council. And the minute that happens you have one commissioner - one commissioner who works with council, and the council will be making the decisions. Right now you've got a three-tiered government in one.

We told you also - we didn't tell you - but Mr. Elswood Boles said it'll cost you \$17 million in four years, and he was wrong. You did it in two. The system you put them in cost that in two years. But nobody would listen. And the situation of the local areas, local community councils having more autonomy has to be looked at, and until you do - until you do you've got problems because you've got a lobby system within the government, and I said that last year. You've got a lobby system where men within their councils are putting their budgets higher because they're afraid that somebody else

## SUPPLY - URBAN AFFAIRS

(MR. F. JOHNSTON cont'd) . . . . is going to get more than they do. And until those councillors are responsible to the people around them immediately, that keeping the budget down, you're not going to have your budget kept down.

So, Mr. Chairman, they did have a lot of guts when they put it into one city and it has proven wrong. Now I must say, and I said this in the Throne Speech Debate, that we finally have a Minister of Urban Affairs who I think understands it. We haven't had that up until now and there's no question about that. I'm not throwing reflections on others, I just don't think there's any man over there that knows more about urban affairs than the present Minister. And if you're pointing at the Minister of Mines, yes, he was with Metro. And you're pointing at the Member for St. Johns, he was with Winnipeg and Metro. But that Minister knows what was going on throughout the whole city and all the cities and municipalities as well, if not better than anybody.--(Interjection)--No question about it. I don't mind it. I give credit where credit's due.

Now, Mr. Chairman, we really have to look at a situation whereby there is about \$27 million being spread out to the cities and municipalities during the coming year, and it should have started last year to help the cities over their inflationary period. So don't play any games about them having to raise the taxes - and they have to. I don't care who stands up on that side, if you tell me that it's the responsibility of the cities to take advantage of the growth taxes by making a request to the government, it is the cities and municipalities that are raising the income tax. And you fellows are the nice guys giving money back. That's gains.

Mr. Chairman, I would also like to ask the Minister one question, and it was asked last year or two years ago. There's a report on the City of Winnipeg Act by the Manitoba Law Reform Commission, it's dated 1972. It was brought up to one of the Ministers of Urban Affairs and questions were asked if this was being studied and if there was going to be anything done on the recommendations by the Law Reform Commission. I would like to ask the Minister if there have been meetings held regarding this report, and if there is anything being done on it. And of course, while I was complimenting the Minister, I wanted to add that I think that he's done the right thing by looking at the City of Winnipeg Act in his commission. I am very concerned that the government's going to go completely the other way.

You have a system whereby at the present time you've got executive councillors, commissioners, you've got all kinds of people involved, and it can't work that way. I'm very concerned that you're going to go completely the other way and give one person too much power instead of a council, which is the proper democratic system. I stress that concern because I see articles, and I see some of the submissions which are suggesting that and I get very, very concerned about the undercurrent of it. So don't go completely the other way and give one person all the power.

Mr. Chairman, I don't think I have any more questions on this at the present time. I've listened attentively. I think many of our members here have asked questions about their constituencies and what is happening. I might say right now that I would like to ask the Minister what is happening regarding Selkirk. I asked today. The reason why I brought that question up today about the purchase of land, there is an Order-in-Council at the present time. It could refer to what was brought up last year, but there is an Order-in-Council at the present time. What is happening with the Satellite City in Selkirk? I might say until the Minister does give me some answers on what is happening in the Satellite City in Selkirk, I think it is probably one of the most ill-advised moves I've ever seen in my life as far as expansion of this city going that far away. You are not really doing the right thing and it's going to be a very very costly situation. But it's the first time he's been asked, and I'd like to wait for the answer.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK, Q.C. (St. Johns): Mr. Chairman, I enjoyed listening to the Member from Sturgeon Creek, as I usually do. I must say that for myself I'm prepared to accept the suggestion that the present Minister for Urban Affairs knows more about municipal matters than do his predecessors. I would say that there's not the slightest doubt in my mind that he knows a great deal more about municipal affairs than

## SUPPLY - URBAN AFFAIRS

(MR. CHERNIACK cont'd) . . . . any and all of the members on the opposite side, including the Member for Sturgeon Creek.

I said to the Member for Sturgeon Creek, I include myself, and I accept that the present Minister knows more than I do. I tell the Member for Sturgeon Creek that he has a long way to go to catch up to the Minister for Urban Affairs. Nevertheless he's trying, and I give him marks for that.--(Interjection)--I don't know what he's saying, Mr. Chairman, but he's mumbling and I'd be happy to respond if I could only hear him.--(Interjection)--

MR. F. JOHNSTON: Would the Minister of Urban Affairs make those kind of remarks if he was answering? I doubt it.

MR. CHERNIACK: Mr. Chairman, I think the Minister for Urban Affairs has greater control of himself than does the Member for Sturgeon Creek or I, and therefore when I fall into the trap of talking in the same terms as does the Member for Sturgeon Creek I have him to thank, and his example, not that of the Minister for Urban Affairs. For example, the Member for Sturgeon Creek is all exorcised about a suggestion I once made that coloured toothbrushes might result in cheaper toothbrushes. May I tell the honourable member that I still think that if his wife won't share her toothbrush with him, that's his problem and hers, but not mine and I don't intend to worry about that.

Mr. Chairman, I would like to deal more specifically with some of the comments of the Member for Sturgeon Creek in relation to the responsibility for the collection of taxes. The Member for Sturgeon Creek spoke about this government not looking ahead in relation to the two points of income tax that have been turned over for the use of the municipal governments. I would say that he is looking backward, he is looking backward to the extent that he still thinks of a municipal corporation such as Winnipeg being able to manage the way he used to when he was in the Municipality of, I guess it was Assiniboia, where it was possible to operate the affairs of that municipality in a parlour of some kind where one talked with one's friends about what one thought should be done, and therefore you had a meeting of a committee which then met in the form of a council and then told the one administrator what had to be done, and I think that that is a time long gone by in the form of attempting to manage the affairs of a city of one half million people.

He also, I would suggest he looked back in another way. He looked back to the surveys that were made, the estimates that were calculated on a federal-provincial-municipal level, which indicated that the burden of taxation would grow insofar as the municipalities were concerned and shrink insofar as the Federal Government was concerned. It has been known for a long time that the demands on urban governments are rising and the needs of urban governments are increasing, and if one wants to recognize that that is going to take place, one must also recognize that the people elected to do the job at that level have a greater responsibility than ever before. I don't believe - maybe the Member for Sturgeon Creek does - I don't believe that it is right that an authority should be involved in expenditures when it does not have the responsibility of making decisions on the revenue; and when the cities in the past have demanded that they be released from the restriction of getting most of their revenue from real property taxes, certain efforts were made to make that possible.

I remember, 1969, just a hair's breadth before an election when the government of the time suddenly increased the grants, was it from \$3.00 to \$8.00 per capita; by an absolute coincidence it was almost in the same breath that the Premier of the day said, I am going to increase the per capita unconditional grants to the municipalities from \$3.00 to \$8.00 per capita and an election will be held on June 25th or whatever it was. And, Mr. Chairman, the Member for Sturgeon Creek talks about political maneuvering? If ever I saw one, it came from his former leader, I mean his former former leader, on which the former leader was the part and the present leader was no doubt a part as well. Mr. Chairman, it was a realization of the increasing demands on municipal governments that made this government think in terms of helping the municipal governments to find new access to what they call growth taxes and what I call growth taxes. And we started to develop what we thought was a method by which they would have access with responsibility; the Member for Sturgeon Creek I think is promoting the thought that they should have access without responsibility, and that to me is the big distinction between his

## SUPPLY - URBAN AFFAIRS

(MR. CHERNIACK cont'd) . . . . attitude and our attitude in government. We said if they want to participate in growth taxes, let them make the decision of the extent to which they should--(Interjection)--(I am pleased to know that the Member for Riel will follow me and make comments on what I have said.) I'm glad he did, because I do believe that that is an important factor in the decision we made, that when a government which we know is going to be in need of increasing revenues to provide services demanded by his people; when they find the need for it, they have to have the opportunity to tax but the decision to tax and the extent of taxation must be theirs. The Member for Sturgeon Creek for some peculiar reason thinks that he has answered me by saying I am talking about personal income tax. If he only realized that of all the taxes we know, that we call growth taxes, personal income taxes are amongst the leading; if he would only realize that personal income taxes are a major source of revenue; if he would only realize that our system of personal income tax is the most progressive form of taxation available to us, then he should readily realize that the municipalities should have the right of access to that field.--(Interjection)--

Now, Mr. Chairman, he says so you can give money back. Let me take him back again, he is talking about our not looking ahead, let's look back a little. How long ago was it that he with his colleagues were demanding that we reduce taxation at the personal income tax level? Has he forgotten? I haven't. I remember what his former leader said: It is necessary at this time that we reduce taxation, that federal taxes be reduced, that provincial taxes be reduced, and in order to assist that the reduction should be at the level of personal income tax. I remember that. Has he forgotten?--(Interjection)--Mr. Chairman, he says give it back. The big difference between us which existed before and will exist in the future, and will always separate the philosophic approach of that side from this side, is that his opinion is that when you reduce taxes you should give it back in the same proportion as it was paid. Well, Mr. Chairman, it shows to me that he does not accept the whole concept of progressive taxation. The concept of progressive income tax means that the income rises and the ability to pay increases so shall the proportion of contribution increase as well. And what we have done, and peculiarly enough - and I can't help remind the Member for Sturgeon Creek whose memory looking ahead seems to be short when he wants to look back - that Conservative Alberta saw it our way, that Conservative Ontario saw it our way, and both provinces decided to reduce personal taxation by rebating on a different level than on the tax itself. They are into property tax rebates and Ontario is into property tax rebates; Alberta is into property tax rebates; Manitoba is into property tax rebates, and I can't even say that we were the first. Another member on this side says we were. I won't say we were, it doesn't matter, the principle is there, the principle that wasn't accepted by Conservative administration as well as New Democratic ones. And the principle was that we would reduce taxation by being selective in the manner in which we would make the reductions. And the reduction in this case was made by form of a rebate based on two essential ingredients, and I know the Member for Sturgeon Creek voted against it, at least I believe he did.

The two ingredients were: (1) As your property taxes have a great impact on you - and we all said that, and the Member for Sturgeon Creek foremost amongst those who said it - as they increase so shall the rebate be related to that form of taxation, the property tax rate which so many people have considered as regressive taxation. (2) And the other element was ability to pay. So that the property tax rebate which he denounces is a form of reduction of taxation, rebative taxation related to those two factors: Property tax increases and ability to pay being a factor. And we said long ago that the only method by which we could do it was with the co-operation of the Federal Government which agreed to do it, because when you're in the income tax field, that's the only way you can handle it.

The Member for Sturgeon Creek says: Well no, you shouldn't do it that way. You should take that money and you should pay it direct to the municipalities. That would destroy the very two elements I talked about. But that's all right. I think the Member for Sturgeon Creek and I understand each other. I think he knows that our objection on this side to doing what he says should be done, is that we want to maintain those two

## SUPPLY - URBAN AFFAIRS

(MR. CHERNIACK cont'd) . . . . elements as being an essential part of the tax rebate, and he doesn't. That's the difference. To him obviously, and now I'm interpreting for him, those two elements are less important, that to turn that money direct to the municipalities so that they will not increase real property taxes.

Mr. Chairman, let's again repeat, that to many people, especially those people who are theoreticians in the tax field, property tax credit is regressive, and anything you do to reduce that tax will be on the regressive scale of taxation. Whereas what we're doing is returning to people income taxes and other taxes they pay provincially. We have done this, we have said to the municipal governments you may enter into various fields of growth taxes in conjunction or in consultation with us.

So lets talk about this liquor tax for a minute. The honourable member wants to convince us - no, I'm sure he knows he can't convince us. He wants to convince the voters of Sturgeon Creek that if the cost of liquor went up somewhat in Winnipeg, they his electors would all run to Portage la Prairie to make a saving. Well Mr. Chairman, he still says that. The cost of gasoline alone would make up the difference. The mere thought of making that investment of a 120-mile trip to save what? Five percent on \$7.00, or 35 cents. Maybe their booze is more expensive than \$7.00, so they may save 40, 50 cents a bottle that they will save, and make a trip to Portage la Prairie.

Mr. Chairman, setting that aside, we didn't say Winnipeg alone should have that right, we said all the municipalities in Manitoba should have that right. It was clearly stated that if they approached--(Interjection)--the Member for River Heights wanted to ask something? I didn't hear. Yes. Mr. Chairman, apparently the Member for River Heights now visualizes all of Winnipeg, all of Thompson, all of Churchill, all of Dauphin, all the people will carry on all their purchases in Portage because Portage was so farsighted as not to impose a sales tax. I thank the Member for River Heights for making clear how ludicrous is the argument of the Member for Sturgeon Creek.--(Interjection)--He says I just made it ludicrous. Mr. Chairman, if I made it ludicrous, then I can only help the Member for River Heights because it is a ludicrous suggestion.

But what we did say was if the municipalities, a goodly number - we didn't even stipulate any formula, we said the representing majority of people of Manitoba, which would be Winnipeg plus almost any other municipality representing a major number of municipalities - if they wished to tax let us say liquor, then we would discuss with them the possibility of adding it on, right across-the-board in Manitoba. And then they would have that kind of access. Mr. Chairman, what we did was say to them responsible government means you make decisions, and so far they've not had the courage or the reason or the sense to make that decision. Well then that is their responsibility. The Member for Sturgeon Creek says, all right, so you'll be the good guys they'll be the bad guys. Mr. Chairman, responsible government means being accountable for your actions and we are making it possible for the City of Winnipeg and every other municipality to be responsible for taxes.

MR. CHAIRMAN: Order please. It sounds like bedlam in here.

MR. CHERNIACK: The Member for Morris is talking also about the past and is talking about examples. All I can say to him is that if you talk about being responsible for what is going on, that applies to every member in this House. It applies to every member of the Conservative Party whose actions in the last number of months has been a matter of great speculation and intrigue for me - maybe not the Member for Morris, but for me as an outsider looking into the Conservative Party in its operation in the last few months has been an amazingly open development. But that's not before us, is it, so I better not.

Mr. Chairman, the Member for Sturgeon Creek spoke of what is taking place in the city as a lobby system. I think I have seen signs of a lobby system taking place in the City of Winnipeg and I deplore it very much. I think it is to the extent that it exists, and I believe it does exist to some extent, there seems to be a trading: You favour my project, I'll favour your project. And if that is going on, then I think it's reprehensible. I am glad that we have in our presence this very evening at this very moment, three former members of the City Council of Winnipeg, and I would like to hear from them

## SUPPLY - URBAN AFFAIRS

(MR. CHERNIACK cont'd) . . . . what is to me a very important problem, if it exists such as the Member for Sturgeon Creek says exists and which I believe exists. This lobby system that he speaks of, I would like to know from the three members, does it exist? How does it exist? How can it exist? How are responsible people elected to the City Council prepared to undergo this kind of self-debasement to involve themselves in selling or trading votes? Now I have the impression that exists. You see, the Member for Wolseley says: you want the McGregor-Sherbrook overpass. It so happens, Member for Wolseley, that I have never suggested that we want a Sherbrook-McGregor overpass. But let me tell him, I would never trade my vote with him on any concept of something he wants for something I want. And if that's the way he operates he'd better clarify for us, because he's the one who said: you wanted the McGregor-Sherbrook overpass - which makes it sound like you offered votes in exchange for something. I don't know who does this vote trading. I'm happy to know it doesn't exist in this House. And maybe the reason it doesn't exist in this House is because we have responsible party government and responsible party opposition. And that may be important. I have not heard of a member opposite, any member opposite, and I hold many of them in high regard and some in something less than that, I've never heard of any of them offering to trade their votes or sell their votes. And I think that's because it is responsible government we have in this House and responsible party opposition which works like a party. Now if in the City of Winnipeg that does not exist, I think its terribly unfortunate, and I think that we ought to somehow approach that as a problem that we all have to accept as being something we should deal with. The Member for Sturgeon Creek says: well you created the City Council. That's true, we did. I don't know that we created the problem. I can assure the Member for Sturgeon Creek that I only had one vote and I exercised it. And if I remember correctly, I lost it both times, so that to that extent I cannot say that I had much to say with the quality calibre of the men who are there.

Mr. Chairman, we're dealing with the City Council and I've just talked about the quality and calibre of the men that were there. I now want to leave the subject that I was prompted to speaking on by the Member for Sturgeon Creek and I want to disassociate myself with two separate statements made by the members of the New Democratic Party who sit on the City Council, and this might be as good an opportunity as any.

Some little time ago there was an application made in my constituency for a zoning approval or some variation approval for the creation or conversion of a building to permit the housing of people recently discharged from mental institutions in a sort of a care home where they would be free to leave the home to work and still have that sort of element of, not supervision, but guidance within the home. And one of the New Democratic councillors in the city is reported by the newspaper to have said: why don't they send them up to northern Manitoba, they'd be better off there than here in our city. And Mr. Chairman, I grieved very much. Not only because of that ignorant statement made by this member, but also because of the fact that the criticism encountered by the councillors on committee were such that forced the applicant to withdraw the application because he said, and I don't quote him verbatim, but he said something to the effect: "I would not want the people for whom I care to be forced into or permitted into a community where there has already been this kind of rejection of the kind of thing we're trying to do. I'd rather not have them there than have them there subject to that kind of abuse." I felt badly about it, it was in my constituency, and I take this opportunity to say so.

The other comment, Mr. Chairman, and then I'm through, is much more recently. There was an application made to the City Council for grants to cultural endeavours in the city. I was ashamed to read of some of the comments made by some of the councillors, including some New Democratic councillors, which I think showed a complete lack of recognition of the value of the cultural associations of societies in this city. I think that so many of them attract maybe a small number of people who are their constant attenders, but they make of this city an interesting, a vibrant, a city which attracts people and which makes life worthwhile. And to speak of them in the deplorable manner, in my opinion, that they did, made me feel badly and made me feel ashamed that they



## SUPPLY - URBAN AFFAIRS

(MR. CHERNIACK cont'd) . . . . could bring themselves to do that. I must say I am not a supporter of many of the sports events that take place in the city. I don't recall that I have ever downgraded them in the manner that was done about these cultural events. I suppose the only time I recall bad mouthing some spectator sports, it's probably when I've commented on some occasion or other about the wrestling that takes place both on TV and in the city, which I find a deplorable performance of showing to people how great it is to be brutal, to shed blood, to beat up on the other. And I deplore that. But having --(Interjection)--It's all acting. I agree with the Member for Minnedosa it's acting, but the fact is that the people love to see it, and to the extent they love to see bloodshed and they love to see brutality, I deplore that. Having said that, I still say that's the only spectator event that I think that I have criticized in that sense. I do feel that the cultural organizations, regardless of whether they are entitled to the grants which they requested or not - maybe they're out of line, I've never looked at the budget - but to be treated so crudely and their efforts being downgraded to the extent they were by some of the members of the Council, and I say I'm sorry to know that some of them are members of our own party, made me feel rather badly.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Thank you, Mr. Chairman. I didn't think I'd ever get in here. Mr. Chairman, I find it very interesting that the language under Urban Affairs, Administrative Salaries, is defined so broadly that we can talk about almost anything and everything, including individual views on City Council; on some of their decisions: on the councillors themselves, on how they operate, and the term used is "lobby system" or "log rolling" or whatever it's called, "Paid-offs", I think it was. And you know, frankly, I take the position that the citizens of Winnipeg elected their councillors. They elect them in the knowledge that the ones that get the most votes are going to be sitting there. They go to the polls, they make their choice, and just as they elected the 57 members here who achieved a majority of the vote, so the citizens of Winnipeg elect their local representatives. As I said the other night, by and large I'm convinced that in fact the 50 people who are there now, and the Mayor, certainly reflect the majority views of the wards they represent. So I'm not going to second-guess them and I'm not going to impute motives to them which is I think, frankly, not my business; nor do I think it's proper to sit back here and criticize. I don't think members here would frankly be particularly pleased, nor I think it's proper if the City Council devoted an evening of its affairs to kind of take a few strips off members in this Assembly. They have their job to do, they're elected to do it. They do it in the knowledge and the feeling that what they are doing is correct from their point of view, and as I indicated, I don't think it has anything to do with the political party that won. As I indicated the other night, if there were 50 members of the New Democratic Party sitting at City Council, I don't think my job would be much easier. They represent the city residents, their concern is the city resident, their responsibility is the city resident, and so they really aren't that concerned, or should they be concerned, with residents of Portage or Dauphin or Brandon or elsewhere.

Mr. Chairman, the Member for Sturgeon Creek made reference to our program with regard to the Property Tax Credit Plan, we're really making bad guys out of the municipal people and good guys out of the provincial. And he saw some nefarious scheme here, a machiavellian scheme. Well the fact is, Mr. Chairman, that right across the country, municipalities have been trying to enter the field of growth taxes, be it sales tax, be it personal and corporate income tax, be it liquor taxes, they have been trying to do this right across the country. Manitoba just happens to be the first one that gave them access to it, that's all. The others aren't even getting the right of access, and that is what they're complaining about. I don't want to read into the record again an editorial of the Toronto Star which commended Manitoba for this step forward in saying to the Ontario Government: How about it? Why don't you follow suit?

I can tell the honourable member, and I suspect, knowing the honourable member, that if he was sitting on City Council during the days that he was sitting there and he was faced with the possibility that he could turn to another tax instead of the property tax, you know, I suspect that the honourable member would have had no compunctions and would

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . . have been prepared to face the wrath of any of the people if he felt that it was proper to ask the Provincial Government to levy one more point of personal income tax or to raise the sales tax or to ask for liquor tax. And he would do it, and I'm satisfied knowing him that he wouldn't hesitate to do it if he felt it was right; if he felt it would alleviate the property tax; if he felt it would broaden the tax base for the municipality on which he was a member of council. I know I would have had no hesitation whatsoever in the years that I was involved in Municipal Council or on the school boards, if I had had that opportunity I'd have had no difficulty at all in saying, by all means I want to move into this area.

Now he does raise a point. He says: If we move in this direction, there is a possibility that we may be broadening or allowing the entry of municipalities into these tax fields which are traditionally the Provincial Government's field; that the province may find itself in a dilemma some years down the line where perhaps it is foreclosed in its ability to raise funds. Well that is a possibility, although I can tell you that provincial governments and the Federal Government, when they have to raise taxes, they do it. When this government decided to eliminate Medicare premiums, a most regressive kind of taxation, we had no hesitation in getting up in this House and saying loud and clear, we are going up in our personal income tax and our corporate income tax and, of course, what we got from the other side was, you're the highest in Canada; you're going to do this; you're ruining the economy; you're doing everything under the sun. But we did it very consciously because we felt it was the right thing to do. So the municipalities will do it if they feel it's the right thing to do and I think it is the right thing to do and we will live with it and other provinces will live with it too because I think it's coming. I think it's coming right across the country. There's a study now, members know, there's a tri-level study on municipal-provincial-federal financing and taxation and I suspect that out of that study will come as a proposal that there should be access to Municipal Governments in the growth tax field.

The member feels, his feeling is that instead of Property Tax Credits, which is really a method of redistributing the tax dollar and giving it to people whose needs are greatest - he doesn't approve of that, he'd rather funnel more money to the city and the result would be there may be a drop in the mill. If there's a drop in the mill, of course, then it benefits the Richardson Building; it benefits the Royal Bank Building; it benefits Eatons; it benefits The Bay to the tunes of hundreds of thousands of dollars and of course it will benefit the lower income and moderate and middle income people by anywhere from one dollar to maybe five or ten dollars. That is the kind of redistribution - maybe he doesn't realize it - but that's the kind of redistribution he is actually espousing when he talks about just giving them the money direct so they can lower the mill rate by one or two mills. Therefore the redistribution that would take place would have the opposite effect to what we think it should be. We'd simply be lowering the taxes for the highest assessed values in commercial, industrial and even residential within Winnipeg.

The member asked me about the Law Reform Report or Commission Report of 1972 and I plead some ignorance on this. I am informed that the Law Reform Report came in in 1972 and that there were amendments to the Act that flowed from that and gave them a high priority back in '73, I believe it was. At least that's what staff tells me. I don't recall those particular amendments but in any case I can tell him that they were acted upon.

He also asked about the O.C. that he's referred to during Question Period today. The O.C. is the order-in-council which gives approval for me to sign, to enter into agreement with CMHC or Manitoba Housing rather, to draw money from CMHC and from the Provincial Minister of Finance for funds for the acquisition of the property. Now the property in question is under expropriation as the member knows. It's in the courts now. I don't know when it will be dealt with but all that the O.C. is is simply the document, the power to draw money from CMHC, to enter into agreement to take the money.

The Member for Wolseley is now back and I'd like to make comment on some of the matters he raised. He argued a number of things. He talked about politicizing the elderly housing and that somehow he was trying to attribute some terrible nefarious -

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . . again a Machiavellian scheme - everytime there's an opening of an elderly persons' project. What I want to tell him is the opening ceremonies are a requirement which are included in all borrowing agreements with the Federal Government. It's a requirement that 30 days prior to any project being opened that the Federal Government must be notified; the Federal Minister or his designate will attend and he will designate either the local regional director of CMHC or come himself or most often Senator Molgat represents the Federal Minister and they must participate fully in the opening ceremonies. It's not because I want it or anybody else. So that is why these things take place. As well the residents, the housing authority in many communities does want it and it's not something that I think anyone need be ashamed of. I don't attend them all; I have never had any particular desire to attend them all. The member I gather has been at a few so he knows what takes place there as well as I.

He made some very interesting points. He says we're not being fair to the City of Winnipeg. He says, what do they do? They take over the Assiniboine Park and Zoo, an asset. They take over an asset. An asset that was costing \$2 million a year. So by relieving them of \$2 million it was the same as if we gave them \$2 million.

A MEMBER: The park is still there.

MR. MILLER: The park is still there. We haven't moved it; we haven't put any bigger gates on it; we haven't changed the hours of operation on it; we haven't done any terrible things to it. We're not taking the sod off that and putting it on the Legislative grounds and it's still owned by the City of Winnipeg as a matter of fact. He says, why don't they take over education costs and welfare costs and police costs and take over the transit? By the time he got through we were taking over everything and giving them all the money. I'm not quite sure what they were going to do with it because they weren't going to have much left to operate, unless maybe, well yes, street maintenance, he didn't mention street maintenance so I guess . . . no, he didn't. Well we participate in regional streets but not on the others so maybe that's what was going to be left to the city. You know how ludicrous is it to list a bunch of things that the province should take over and still talk in terms of local autonomy, local responsibility or even the need for local government. If the province is going to take over transit and it's going to take over education, it's going to take over all of welfare, it's going to take over the Assiniboine Park and Zoo, if it's going to take over all of these then surely there's no need for a city council. Who needs them? But I don't agree with that; I don't think the city council would agree with it. If there's any rationale to having a locally elected responsible government it is that they are indeed involved in delivering services to people and should continue to do so. So I really can't accept what he says.

However, I want to inform him that this government has moved in relieving the city of many costs which until we came to office they were saddled with as no other municipal corporation in Manitoba was saddled. I'm talking about the health units; I'm talking about the fact that in the City of Winnipeg, whereas in other municipalities they had health units which the municipality had to pay for, one-third of it was raised by the municipality, in the City of Winnipeg they got almost nothing. Well today the City of Winnipeg and the former suburbs, all of them, the province is taking over the cost of the health units and what's left to the inner city is that amount which is above the average cost.

We removed from the City of Winnipeg the cost of the financing of capital construction for hospitals. That was a large item on their budget. That has been removed. The province has assumed that so that those debentures which still are to be paid, the extension to St. Boniface Hospital, the Grace Hospital, Victoria, which the city was on the hook for, now they are relieved of that cost. So whether you relieve them of a cost or you give them more money the net result is the same. If they don't have to levy for it, they don't have to spend it, then it's in a sense equal to an amount that may have gone to them.

Frankly I feel that the more money that flows to the local government without conditions, the more flexibility that local government has because one of the complaints has always been that cost-sharing programs tend to distort priorities, tend to determine priorities by the local government. So that if they have money without any strings attached, in other words unconditional flow of funds, then they would be in a much better position to determine their own priorities and the pace at which they want to go. I can't quarrel with that and that's why I feel that, in fact, we've, by moving to give them access to other taxes than property taxes and

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . . simply coming annually to ask for support for this or support for that or for us to tell them that we'll give them a certain amount if they do something else . . .

MR. CHAIRMAN: I wonder if we can just have a little bit more quiet.

MR. MILLER: Oh I don't mind. So, Mr. Chairman, I honestly think that the member is quite wrong in suggesting that there be a takeover by the province of these programs which he enumerated, that instead the city and any municipality has traditionally looked after these things and if there's going to be any value in having a municipal council or municipally elected body then surely the value is in them being able to determine the kind and the nature of services that their citizens want and their citizens seem to prefer.

Mr. Chairman, the member also referred to the Convention Centre and he was very unhappy. You know he seems like a very cynical young man to me. Maybe because he is a cynical man and you know he seems to attribute to other people - anyone who does something, that they must have some hidden motive or secret motive. Well maybe he has secret motives and maybe that's how he operates. That's up to him. I don't believe for a moment he gets up and says, "I've been elected to this House to tell it like it is." Now what he's saying to me when he says that is that the other 56 members don't say it like it is, but he does, only he. Well I suspect that he has many colleagues on his side of the House and colleagues on my side of the House that also say it like it is and are just as honest as he is, just as sincere as he is and probably more truthful.

Mr. Chairman, he talked about the Convention Centre and as I say he was very critical of the fact that the province said that it shared in the Convention Centre. Well, Mr. Chairman, the province did share in the Convention Centre. The Convention Centre was a proposal put to us when we first came into office. It was already there. The figure which they estimated was \$15 million. We looked at it and we looked at it very hard. We felt that there was a commitment and we were going to honour that commitment. The price was \$15 million and so we said, "Yes, we will cost-share 50 percent of \$15 million. If you want to go beyond that that is your responsibility. We'll cost-share that \$15 million which was the figure put before us." And that's what we cost-shared. If it ended up at a higher cost that is because the City of Winnipeg decided it wanted to improve it, enlarge it or rather to enhance it. That was a decision they had to make. That does not deny the fact that we did share it and we do cost-share 50 percent of the deficit and we do that on an annual basis. Certainly I hope that that deficit will diminish and disappear over years, but until it does we are committed to and are pleased to share 50 percent of that cost.

A MEMBER: How much is it?

MR. MILLER: It's now about - our share is about \$450,000. It's about nine hundred and something thousand dollars.

Mr. Chairman, the member makes reference to the location of an elderly persons housing project on Carlton Street, 24 Carlton I think it was he said. He said, "What a terrible place to put an elderly housing project." You know, Mr. Chairman, I wish we could always pick the locations. They can only build where, a) there is a vacant piece of land, and b) where it's properly zoned. The member knows that lands like that are not readily available. And not that 24 Carlton Street is so bad. He may recall that when it was first built, as a matter of fact there was a store - he said there was no grocery store nearby - there was a grocery store on Broadway right on the corner. It has since closed up and is now some sort of, I forget what it's called, some restaurant. But there was a store there at the time and there is now, I gather, a store on Hargrave which is a block away, and 24 Carlton itself is a block away from Broadway. I suggest to you that the location is --(Interjection)--I beg your pardon?--(Interjection)--and it's in Fort Rouge riding which of course is again to show how this government only puts things in ridings where NDP members are represented. It's in Fort Rouge riding I'm informed.

He also deplores the fact that the Guertin Building was not, the river bank property, the Guertin Building, I think it is, that that wasn't proceeded with. I would like to remind the member that, in fact, it was the city council who decided not to go with that. So I'm not sure what it is he wants from the Provincial Government unless he is saying that the Provincial Government should have said to the city, "We don't agree with you and we insist that you should continue with that expropriation or acquisition and that we, the Provincial Government, are going to tell you what you the planners of the City of Winnipeg should do". Well, Mr. Chairman, again you can't operate that way. Either the city is a legal entity with responsible people or it isn't. If

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . . that day comes that it isn't then the charade of having them there should simply be dispensed with. They should be simply eliminated and this Legislature should run it. But as I say I hope I don't see that day.

I believe I've covered the major items that the member brought up. If I've missed any I regret, but I'm sure he'll remind me of them in the event that they slipped me by.

. . . continued on next page

## SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, I see that Mr. Currie's salary gives a fair latitude of comment and I don't intend to take any more license than anybody else has taken in making those comments. But I do want to ask a number of questions and make some comments on the debate that has taken place on these Estimates on Urban Affairs.

Mr. Chairman, back when we were introduced to the urban concept of Unicity and the City of Winnipeg, and I realize that these Estimates cover more than the City of Winnipeg although certainly the comments that have taken place here would make you wonder if this department wouldn't be better called the Winnipeg Department rather than Urban Affairs Department, or the Winnipeg Affairs Department by the tone of debate that's gone on so far. I don't disagree with the fact that the Minister in charge of the department is well qualified to handle the department. The problem is that he has an almost impossible job to bring about real answers to the problems that face urban centres and principally the City of Winnipeg so that regardless of who he is, he is going to have a very difficult role cut out.

I recall, Mr. Chairman, when this was all brought about when the two members in particular of this House - and I don't refer to the three members that the Members for St. Johns referred to. He said that we had in our presence three former members of the city council, Unicity Council and therefore we would have light cast upon the problems of the urban area of Winnipeg. What I do recall is that two former Metro council members, namely the Member for St. Johns and the Minister of Mines and Natural Resources were the two principal advocates of the Unicity which we are now enjoying. Back in the early seventies the road that they showed us, Mr. Chairman, how they were going to lead us out of the wilderness and into this new land that was going to solve the problem of urban planning, they were going to solve not only the problems of planning, they were going to solve the problems of participatory democracy and they were going to solve the problems of increasing and spiraling costs. They were going to solve the problems of duplication of service in fire, duplication of service in police and they were going to cut costs.

Now, Mr. Chairman, they were very careful. Mr. Chairman, they were very careful. They didn't say, we're going to cut costs. But they said, if these people know what they're doing, we're going to show you a chart and show you what will happen if all of these things happen the way that they're supposed to happen. They added all the little costs up together and they came up with a nice neat little chart, and low and behold there was going to be a very significant saving to the people of Winnipeg when they brought in Unicity if only things happened the way the slide rule told them it should happen. Now, Mr. Chairman, they didn't say it was going to happen that way because they knew very well it wasn't going to happen that way. Mr. Chairman, they may be accused of many things but I don't think they can be accused of having observed the operation of bureaucracy at the Metro level in that day and principally at the City of Winnipeg's level of that day and come up with the conclusion that they honestly believed. No. They went to the extent of saying here's our chart and if things happen the way we want them to happen this is what you're going to be saved.

Well I think that really we have to simply ask those two members, not the three members of the city council that are now in this Chamber referred to by the Member for St. Johns, but ask the two former Metro councillors: himself and the Minister of Mines and Natural Resources, have things really worked out the way you wanted them to? I can recall when the Member for St. Johns with his able assistant, Mrs. Gallagher or Ellen Simmons from the press gallery who joined him on the road show that came around to all the municipalities and they waxed wisely about all these things and Mrs. Gallagher took notices.

Incidentally she wrote us all a letter here just recently and I think she's a member of this three-man commission, or perhaps secretary of it. We got this letter four years after the fact that said, "Dear Mr. Patrick: I note from reading Hansards that you have a very deep seated interest, a deep seated interest and concern in the operation of the City of Winnipeg and we would welcome your comments if you would come out and tell this Commission just how we could now improve the operation of the City of Winnipeg."

## SUPPLY - URBAN AFFAIRS

(MR. CRAIK cont'd) . . . . --(Interjection)-- Oh, after I'm finished, the Member for St. Johns is quite welcome. I am sorry I've taken the Member for Assiniboia's name in vain here but I'm sure that, you know, that Mr. X that received that letter, that went to those meetings when the road show was on - the Member for St. Johns, and Mrs. Gallagher were going around with the Minister of Mines and Natural Resources at the time telling the good people, 500, 600 were out at the Glenlawn Collegiate over in my area, sat and listened to the presentation. Didn't really buy it. Asked a lot of very pertinent questions and were assured, were assured that this thing was really going to be in their best interest. I'm sure that Mr. X that received this letter from Mrs. Gallagher felt like writing Mrs. Gallagher, "Dear Mrs. Gallagher, --(Interjection)--

MR. CHAIRMAN: The honourable member who made that remark should hang his head in shame and walk out of this Chamber.

MR. CRAIK: Mr. Chairman, I'm sure that the intuitive response of the person who received that letter that knew what we had before Unicity and what has resulted since might well have said to Mrs. Gallagher, do you, Mrs. Gallagher, have a tape-recording of those meetings which you attended as you went around the different areas and listened to the good people when they told you the values that they cherished in their local government and what they wanted to see. Could you not just pull those tape-recordings out and listen to them? Well, Mr. Chairman, let me ask you: what about that vital item - I think it was topmost. Certainly there were many speeches by the Minister of Mines and Natural Resources on this topic. What about democracy? What about participatory democracy? He quoted figures at one time in a by-election in the metro council where there was a 15 percent turnout or a 20 percent turnout at the polls. --(Interjection)-- Nine.

Well, Mr. Chairman, what are the turnouts at recent by-elections under the new system? How much has democracy improved? How are the community committees working? How is that kind of democracy working out? Mr. Chairman, we can pick up the paper almost monthly; we can pick up the local paper weekly; we can find that the community committees really aren't functioning. They don't feel that they're plugged into the operation of this city. They don't feel they're making a contribution. The fact is, Mr. Chairman, they're having tremendous difficulty in fulfilling the role that was laid out for them by the planners, by the top planner from Toronto that was brought in and I can't even remember his name - that laid out the --(Interjection)-- Mr. Brownstone - that laid out the scheme in the first place. Sure it was good theory, Mr. Chairman, but good theory that worked out to be bad practice is bad theory. I think it's time that Mrs. Gallagher and her Commission went back and decided that the theory that was presented at that time ought to be really looked at to see if it worked or not. They don't have to ask us. They know. They can see. They can go around to the councils, they can ask the community committees just how things are working out.

So democracy, Mr. Chairman, I ask the question: has democracy really improved? The fact is you know very well, the esprit de corps that we enjoyed in the suburbs - and I don't call St. Vital as wealthy a suburb, Mr. Chairman - it had a higher tax rate in those days than places like Tuxedo and St. James and most other municipalities. But what it did have, Mr. Chairman, was an esprit de corps. They knew that they could go down, they could elect their seven council members who had the ability and the power to decide how the taxpayers' dollar was spent. Well even the community committee doesn't have that now. The community committees are powerless. People don't get involved. People don't get involved in the St. Vital area now to the same extent they did before. As a matter of fact, Mr. Chairman, I think the government knows itself - perhaps the Member for St. Johns and the Minister of Mines and Natural Resources who represented sections of the former City of Winnipeg, maybe there hasn't been much change. But I can tell you in the suburbs democracy is not even a shadow of what it was before, not even a shadow. It's not even a close call. It's simply vanished.

Well, Mr. Chairman, how has the housing program worked out? Mr. Chairman, prior to the taking over of the municipalities the City of St. Vital, which had public land at that time, was selling lots for \$2,000 a lot, serviced. That's only four or five years ago. Serviced lots, \$2,000 a lot. They kept a leavening effect on the price of property in that area. Now maybe they were fortunate. I assume that many areas weren't lucky

## SUPPLY - URBAN AFFAIRS

(MR. CRAIK cont'd) . . . .enough to have that sort of a background of having municipal property that they could divide. But since the city has taken over, what do we have? We have lots selling \$15,000 a lot, \$15,000 a lot. What's happened to your housing program? Have you improved the situation? I have to remind you that John Doe individual citizen went down to the City Hall and bought a lot and built on it in those days. The early '70s. That's what they were doing. Buying city lots, serviced, ready to go, \$2,000 apiece. Buying and building on them. What did you improve, Mr. Chairman. Have you improved the housing? Do you know what we hear now? Mr. Chairman, there are no lots to build on for single family dwellings. Those that you can build on are in the range of \$12,000 apiece. Where is the R-3 property? The government wants to mount a rental housing program. Where is the R-3 property to build on? The fact of the matter is there is no R-3 property. That was all supposed to be solved with the bringing in of Unicity to the City of Winnipeg.

Mr. Chairman, how is the transportation system working? What have you done for transportation lately in the City of Winnipeg? It's going on eight weeks with a strike. Perhaps you can't blame this on Unicity, perhaps the same problem may have existed. But certainly the problem hasn't been solved with Unicity. As a matter of fact we get the impression as citizens that the 50-man council maybe is having difficulty dealing with problems that arise such as transit, mass strikes such as transit, when they arrive on your doorstep. It certainly hasn't brought around any solution. It may have existed before. So we can't say, Mr. Chairman, just looking at their performance that really our transportation system is working any better.

How are the costs working out? Well, Mr. Chairman, I suggest that the costs aren't working out according to the neat little chart displayed by the Member for St. Johns at all his road show hearings. The costs are probably working out closer to those presented by Elswood Boles, a single individual with a background of experience - wasn't brought in from Toronto, wasn't an expert, he just happened to know quite a bit about city government and the nature of bureaucracy. He went around to the communities and he said, "People, I'm going to tell you what I think. Here is going to be the cost." And they were costs that were an . . .growth curve. Mr. Chairman, that's exactly what's happened. It wasn't inflation. It's just that they wouldn't believe it. I think maybe they even did believe it but they weren't prepared to accept it. They weren't prepared to tell the people the true facts of life, what was going to happen on costs. That's the problem. If you look at the costs today of the operation of Unicity I said that Elswood Boles was low. I expect he was low. He was written off in the same fashion that D. L. Campbell was written off by these people on Hydro. The same thing. The same thing.

Mr. Chairman, I don't think we have to look beyond the City of Winnipeg. We've got our own problems, you know. --(Interjection)-- I don't blame the Minister of Mines and Natural Resources for being uneasy. It's a little unnerving when a fellow who walks around with a cane in his hand and a little bit of a limp and he has a bundle of charts under his arm, one Elswood Boles walks in to a little hall with 20 people in it and says, "I know you maybe don't want to - you know there's not 100, 500 people here like what was attracted by the road show when it went around. But," he says, "I'm going to tell you in all honesty by the nature of my experience what I think is going to happen to the cost of operation of this Unicity." He also had the back-up of I guess the other report, the Boundaries Commission Report which gave him some basis for his conclusions. He said, "Here's what it is." He broke it out in little pieces of plywood and he added them all up, and lo and behold, it showed this massive growth of costs. It was all there, Mr. Chairman, and it's all happened.

So now we get the cop-out by the government that they're going to allow growth tax position to the operation of the municipalities and the cities. Well, it's going to be a very small pittance, Mr. Chairman, compared to the real growth of the costs. So what's the use of talking to these people? What's the use of this Commission that's going to look at it? Are they going to make the substantive changes that are really required? Are they really going to break down and give authority with fiscal responsibility to the, to the local areas? I doubt it very much. But that's where we started from. We started out with democracy; we started out with fiscal responsibility. We had people



## SUPPLY - URBAN AFFAIRS

(MR. CRAIK cont'd) . . . .who were spending the dollars responsible on a local basis to the taxpayers and we threw it all away.

Well, Mr. Chairman, a 50-man council, is it really going to make any difference whether we reduce that to 30? The Minister has said that it wouldn't matter if they were made up of 50 New Democratic Party members, he would still have the same problems because there's always confrontation between different levels of government. Mr. Chairman, I would agree with the member. The thing is that the whole thing is genetically wrong, genetically wrong. There's not fiscal responsibility on a local basis and until you get that you're always going to have problems. You've also got massive political input into the question of your city now. You always had it in the City of Winnipeg but I can tell you it never existed before in the area in which I live. Nobody was particularly concerned about a person's political stripe when they went into the council. They were more concerned about whether they would do a good job of handling their tax dollars.

Well let me ask you: what's happened to community identity? What's happened to St. Boniface; for instance, the community that suffered the most in this amalgamation? St. Boniface has disappeared as an entity. They stick up a few road signs. . .

MR. ENNS: Wet paint. In Paris they stop but in St. Boniface we arret.

MR. CRAIK: The community identity is disappearing and I spoke in this House to offer at the time --(Interjection)-- Mr. Chairman, they still have the road signs in St. Boniface but that's about all there is in the way of cultural identity. Before you had a City of St. Boniface. You had a distinct entity. Not only that, they ran a good business. They knew how to run their affairs. Now they're unhappy. But many people there knew it was coming. They knew they were going to lose their identity; they knew they were going to lose their fiscal control which they've done. They've amalgamated the Public Works, now, they've amalgamated St. Boniface and St. Vital and theoretically it should all work out very well and the Chief of Operations now has three assistants and the three assistants have three sub assistants or six sub assistants, I guess it is, depends how the formula works out. Now when you want to get your road ploughed you just have to have a computer to decide who you should phone to find out who you should get to. That sort of problem, Mr. Chairman, didn't exist before.

So, Mr. Chairman, I realize the Member for St. Boniface is extremely vulnerable on this. He can make a lot of noise about Bill 113 which was really only a pale imitation of Bill 59 a few years further back, but he makes a lot of noise about it. He makes a lot of noise about it. But, you know, what else can he do? He hasn't got much else to do. He's got one of the smallest departments in the whole government to run. He only spends \$200 million a year or so.

A MEMBER: He got elected in St. Boniface. What happened to your member?

MR. ENNS: He ran a close third.

MR. CRAIK: So, Mr. Chairman, my final comment on this is to ask the Minister under Mr. Currie's salary: how's the bureaucracy working? Bureaucracy working pretty good? You've got a big one. You've got all those suburbs in there; you've got the big city. Now you've got them all organized. You know you've got computers coming out your ears; you're paying your commissioners \$40,000 a year. I guess that things are really efficient now. You've really got things ticking over. I'm sure you're going to tell us it's running real smooth. That's why we have no R-3 property to build your rental projects on; we have no R-1 property to build single family dwellings on; we have a bus strike that's run for eight weeks; we've lost all the democracy we had. You know things are really going great.

Well, Mr. Chairman, the Member for St. Johns said he felt badly. I can tell that none of these things I've mentioned have anything to do with him feeling badly. He felt badly because the Member for Sturgeon Creek misunderstood the problem. Now you know it's easy to tell that there's no other problems except all the Member for St. Johns has to do now is to convince the Member for Sturgeon Creek that really he should feel badly because he, you know, he just doesn't know how to understand this great new machine that's running the City of Winnipeg.

MR. ENNS: As of tomorrow, we blame him for the bus strike.

MR. CRAIK: Mr. Chairman, it's pretty clear that really the only problem is

## SUPPLY - URBAN AFFAIRS

(MR. CRAIK cont'd) . . . .that we really don't understand. The problem is that the people of the area I live in don't really understand. I can tell you in all objectivity - I send out a mailer once a year as all the other MLAs do and every second mailer that the people do turn back is going to mention the problems of the city; the problems of the city the problems of Unicity. So you've got a big problem. I agree. As I said when I started out the Minister of Urban Affairs has a background which is a credible background and which we appreciate. It's just that he's got an impossible problem.

The thing is that he allowed his two cohorts from the former Metro council to talk him into this thing and now he's saddled with it. He knows very well that the former West Kildonan city council operated in a fashion that would make this whole operation look sick that he's trying to get through to right now. So that's his problem. That's his problem, Mr. Chairman, and I guess that sooner or later we'll try and figure out whether we can move to a position where we do get back some democracy; we do get back some fiscal responsibility on those people we elect. I think it's probably a good idea to advocate reducing the size of the city council but I don't think we should hold out false hopes to somebody that the city is really going to operate that much differently after we do it. The problem isn't the size of the city council, the problem is the bureaucracy of the city council. It's the structure of the whole thing. That's where we run into most of our problems in these areas.

Mr. Chairman, I don't want to finish without making comment on the grants system that's being proposed by the government. I think the Member for St. James pointed out pretty adequately that granting two percent to the cities on the growth tax is probably going to account for about a quarter of the real cost growth this year. It isn't going to answer the problem. Three-quarters is still going to have to be carried by realty tax, by property tax on the homeowner. Those property taxes in the period Unicity has been in have grown anywhere from 50 percent to 100 percent and we have no answers from the city on this.

You know the crumbs thrown out by increasing the rebate from \$67 million to \$77 million in this budget isn't going to answer the problem. The thing is that you know, Topsy has just grown too big. It's just built wrong, that's the problem. This business of taking the money away from the taxpayer on property tax and giving it back to him in his other pocket by way of a rebate from the Provincial Government was named correctly by one of the members opposite tonight, he said it was the Robin Hood technique. I guess that's what the government thinks, that they can play Robin Hood and let the City play Robber Baron. So we have a Robber Baron, Robin Hood game. That's essentially what's going on. The taxes are going to go up by the appearances this year by 20 mills which represents a 20 percent increase. On the average property owner the two percent that he's going to get back on his income tax really, as indicated, is going to be a pittance compared to his increase. Well despite all these arguments, Mr. Chairman, we didn't agree at the time with the imposition of the Unicity; we don't think its performance four or five years later has in these critical areas that I've mentioned has justified its existence. We don't see the little changes that can be made as being the sort of genetic changes that are required to change the whole operation and the structure.

I don't think any of this is the thing that's uppermost in the people's, the electorate's mind. What they're concerned about is where are all three levels of government going? Where is the Federal, Provincial and Municipal Government going? Because the taxes are going up far beyond the industrial growth, taxes being passed on by the industrial firms. They're exceeding most other sectors. We have an announcement now that the water rate is going to go up by 50 percent. Hydro is up this year by 18 to 28 percent. We had the utilities, the natural gas ratified by the Public Utilities Board in the last few months going up in October, November and December by whatever the figure is - 40 to 50 percent. Ratified and approved by the Public Utilities Board. We have the telephone --(Interjection)-- well the Minister of Mines and Natural Resources asks, you know, why should they be responsible for gas? I point out to him that in the case of natural gas in the words of the First Minister, you have a slightly different case in the case of a non-renewable resource. That's exactly the case. The whole international effect is being felt in that business.

## SUPPLY - URBAN AFFAIRS

(MR. CRAIK cont'd)

But that's not the case in the case of water. You know the water lines were put in from Shoal Lake long before this government came into power, long before Unicity came into power and all of a sudden we've got a 50 percent increase.

MR. ENNS: The same First Minister argues about not paying the same new development costs for oil.

MR. CRAIK: Property tax is going up by 20 percent. Well add it all together anyway and this is what the people are asking. They're not asking whether Unicity is the answer or not the answer. I think they've decided in their own minds that Unicity hasn't been the answer.

What they're asking is where are the Federal, Provincial and Municipal Governments taking us. They're not getting the answers, they're not getting answers. And they're not getting the answers from 18 percent increases at the Federal level in budgets and they're not getting the answers in 16 percent at the Provincial level. They're asking themselves in their own quiet way: have we got another New York on our hands, another New York on our hands in the operation of our governments in Manitoba? That's what they're quietly asking. They're going to live with it. They'll live with it for a while. They'll voice their satisfaction or dissatisfaction when the time comes to cast their ballots. But there's a feeling of some despair in the people right now as to whether the government, Federal, Provincial or City Government at least - and I have reason to believe that the municipal governments in the country are in a little better control because they still have some authority, but they're having an uneasiness about whether any of these governments know exactly where they're taking their people.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I want to comment on some of the remarks made by the Leader of the Opposition. He refers to the creation of the new City of Winnipeg, the Act of 1972 and keeps harping on the fact that Elswood Boles came out with predictions that costs would go up and that on the other hand members of this side of the House argued that costs would go down. That is not so. We never said that. There was a reason for creating one city and I'll say it again.

The reason is a problem that exists right across North America, the reason why even today in Toronto, where they've had metropolitan government for many years, they are having another inquiry. This time it's a one-man inquiry, they had an inquiry a few years ago. Because they too are faced with the same costs and they too are confronted with the same problems. In American cities the problem is very intense as it is here in Canada. One of the things that makes it most intense is when you have a city, an old city, and the suburbs spring up around it and the affluent and those able to move out of the city to the suburbs taking with them the resources they have and then the jobs, the industries, the commercial enterprises move out to the suburbs as well so the city is left with the lowest income people, with the problem people, with the highest costs, with a shrinking assessment, with no tax base and the suburbs do well. Of course the suburbs do well under those conditions. They live off the city. You go into the city; you work, get in your car or bus and back you go to your suburb where things are terrific.

But inevitably that catches up to you. Inevitably the city core will die and if it dies then the suburbs can't defend themselves against the rot that will get to them too. The Leader of the Opposition says that I would recall how wonderful it was in West Kildonan. Sure, I also recall that when the West Kildonan population went from 6,000 to 25,000 I recall many citizens coming to me and saying, when there was 6,000 people here that was really democracy. We'd get together; we'd know one another; we'd walk down the street, everybody knew everybody else. When you voted for somebody you really knew him well. You knew his father and his grandfather and his family, his children, and that is true democracy. There's no question about it. The small towns have it.

You know the Town Council of Tuxedo was the ultimate in democracy. There was a small community, everybody knew everybody else, didn't really need elections. They didn't have them. Very few. Mostly it was by acclamation. They'd get together in somebody's rec room and they'd say, well, whose turn should it be? John? Jack? People came along and said, yes, I'm willing to offer my services. Good fellow. And he

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . .served. You know, I'm not being critical of it. That's really very democratic. It's a beautiful thing.

To follow the argument to its logical conclusion, what we should have done I suppose, is we should have created cities of maximum 25,000 population right through the Greater Winnipeg area. Therefore instead of having only twelve cities as existed then we'd have 24 cities. Twenty-four is the ideal; maximum population 25. Now of course they'd scrap at one another for a tax base and everybody would try to attract a piece of industry because if you had industry you were really on top of the world. If you were like Tuxedo and had two cement plants you didn't have to worry about anything because they'd cover all your costs. If you were like St. James and fortunate that during the war the Federal Government laid sewer and water lines to what was known then as Stevenson Airport, because it was part of the war effort, and after the war there it was, sewer and water and by gosh you could go. And industries moved in. They really had a tax base and they enjoyed a beautiful low property tax and very good service.

But the fact of the matter is we were all Winnipeggers. People didn't leave here and say: where are you from? Well I'm from St. James or I'm from East Kildonan or I'm from North Kildonan. No they'd say they were from Winnipeg because we were one social unit. Really we all lived off Winnipeg. That is the reality. So the reality also dictated that we had to recognize this fact and move towards creating one financial base so that decent planning could take place, so you didn't just put industry for the sake of a tax base for your particular residents in that little community, so that as the city could plan accordingly so they could put industrial parks where they belonged, where it made sense and residential communities could continue to be residential and not just inject something in there because the council was anxious for some industrial taxation. So you could plan adequately.

The member makes reference to the fact: where are the R-3 sites for housing? Where is the zoning. The fact is that Metro had control of zoning and in 1970 it was Metro who came out with the Development Plan which determined what zoning should take place where. It was not any longer St. Vital nor West Kildonan, it was Metro. Metro had that authority. It took them a long time to develop a plan and until that plan became law they still followed the old zoning plans of the various suburbs and municipalities. But from that day on when that plan became law, that became the zoning plan for all of Greater Winnipeg which was under the jurisdiction of Metro.

He referred to transit. Transit was also under Metro. He forgets totally the fact that all through that period when Metro was in being every year there was headline after headline about the need for more money by the municipalities, that Metro was spending money like it was going out of style and Metro was the bully boy for anybody and everybody. But fortunately they also fought amongst themselves so they couldn't quite unite but Metro was a unifying force. You know you can always unite against a common enemy and Metro was conceived as a common enemy.

Mr. Chairman, I went to one Consultative Committee meeting and I refused to go thereafter because of the charade and I knew it. I recognized that Metro was given a responsibility and I never argued against that responsibility. As a matter of fact in this House in 1968 or '69 I was witness to a sight - and members opposite the last few days have been making comments about members on this side of the House - and I recall a Minister of the Crown introducing legislation which would have given Metro Government greater authority in the City of Winnipeg on certain streets and the City of Winnipeg opposed it because they felt that they were losing a certain amount of power. Nonetheless the Minister of the day brought in a bill; it was passed in this House; it was approved by the government benches; it got second reading; I supported it. In Law Amendments the pressure was applied; the government knuckled under and what happened? That Minister did vote for it. I stood with that Minister when she stood up to support that bill but her colleagues didn't. I remember that. I remember that so don't let those members opposite there give us a song and dance about the good old days and let's go back to them. That's a lot of nonsense.

The member says we've got to get back to fiscal responsibility and I suppose he means by that that today the city is asking for money and they haven't got enough money.

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . . I don't recall when any city, any municipality ever felt they had enough money. The fact is . . .

A MEMBER: At any time.

MR. MILLER: . . .at any time. You know I've been on school boards, I've been on councils - and even St. James wanted more. Even St. James wanted more. They wanted it for the school board instead of for the council.

I agree with the member when he says the problem with regard to city council is not necessarily size, because I don't think that numbers determine things. But, you know, Mr. Chairman, the City of Winnipeg Act was something very new; it was a vehicle through which certain things could occur. He says, "How much interest is there in community committees?" Well I have to tell him in some there's very little. But, you know, in others it's very good and from what I gather reading the newspapers, some of the submissions made at the Committee of Review have come out very strongly in favour of retaining the present community committees and not to tamper with them. Sure there are others that have taken the opposite position. So there are places where it is active and places where it's not active. I can tell the honourable member in his suburb and in my suburb and in other suburbs there were pockets, there were areas, neighbourhoods, where they were very active. They were active in their community centres, they came out in droves and there was some areas that just weren't. The same happens everywhere and it will always happen. Those are the realities. You know a city is a dynamic thing made up of many kinds of people and the neighbourhood in which you live will reflect the attitude of the residents and they can make it very exciting, they can make it very active, they can participate or they can be inactive and passive. That happens irrespective of whether you have a single form of government as we have in Winnipeg or you have a metropolitan form of government or you just have as still in many places, not even a metropolitan form of government, just a bunch of suburbs fighting one another and the old city being left pretty well in the lurch and having nothing but problems which it cannot overcome.

So, Mr. Chairman, I think that the Leader really is trying to dream up an image of the good old days that really never existed. But I guess it's human nature when one always thinks back, one forgets - I guess the mind protects us from ourselves very often, it blocks out the unpleasant and all we ever recollect in looking back are the nice pleasant things and forget all the problems of the past.

The City of Winnipeg has problems. It has problems today; it's going to have them five years from now, they never go away. The province is also faced with problems and we're not going to resolve them all and they'll be here five years from now and they'll be here ten years from now. The only time it'll stop is if there's a total slowdown in the economy or in the social structure. I don't believe that day will ever come because we are a society with changes always taking place and in the last decade they're taking place at an even faster pace than ever before. That is the difficulty which society today faces, the pace of change, the rapid pace which is difficult to adjust to.

But I make no apology and I have no concern that the City of Winnipeg under the present Act will survive, will grow, will do well. I have every confidence that the Committee of Review after looking at what has occurred in the last five years, having heard the submissions, will come up with recommendations which may improve the functioning of the City of Winnipeg and certainly we will listen on this side. I can tell you that. I don't doubt that no matter what they come up with in 1976-77, that five years later another committee will have to again review and should review because nothing remains static and what was valid a decade ago or even five years ago is no longer relevant in future years.

So, Mr. Chairman, I thank the honourable member for suggesting that I have knowledge of municipal affairs but I can tell him that my knowledge of that area includes the fact, the realization, that there are no pat answers and that he is not offering any pat answers with the comments he's made.

## SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Chairman. I just wanted to say some words about the issue, I think, that has been part of a discussion in this particular department and that is the adequacy of the Provincial Government's response to the, I guess what you can generally call the economic dilemma of Winnipeg, and I think the Minister himself properly referred in saying it's a dilemma that's faced by almost every other city in North America if not in many other continents.

I think, Mr. Chairman, that the position taken by the Minister is in part one that I agree with when he said that the dilemmas being faced are really a product of some factors that no one has any control over. The city is just growing very fast; there's thousands of new people being added to it and that has nothing to do with the structure of government or the size of the city council or whether in fact, who has control of the zoning. That's something that is being shared by almost every city and I believe that the experience that we all witnessed in New York last fall in the bankruptcy of that city provided a pretty severe dash of cold water on anyone who is concerned about the fate of cities because it expressed in a most dramatic kind of way what can happen if we don't apply ourselves properly to the problem.

So the question we have to ask, Mr. Chairman, when we face the case of the city, is really, "What is the adequacy of the Provincial Government's response? Is it really doing what it can be or should be doing to assist and aid and abet the city to resolve its very serious economic dilemmas?"

Mr. Chairman, I'd like to make the case, however, that the analysis provided by the Minister to us should perhaps have gone a little bit further than what he provided. Because I think the City of Winnipeg should be looked at as a special case in the Province of Manitoba. Special for these reasons: that 90 percent of the growth of the Province of Manitoba in population occurs in the City of Winnipeg so that the change that's occurring, that he's talking about, is not provincial change, it's city change; that almost 90 percent of the economic growth that takes place takes place in the City of Winnipeg and therefore the demand for services, for the sewers and the roads and the water systems and all the other things that allow it to happen, take place here. No way is a change taking place in terms of generating an awful lot of activity but the city is also becoming the settling place for all kinds of people from outside the city, the poor and the handicapped and the disadvantaged who come here to settle. The City of Winnipeg must bear the cost of those people.

So one of the issues I'd like to raise, Mr. Chairman, with the Minister is saying, all right, to what degree does the province recognize those special concerns and those special needs and respond to them. Because I would like to raise the question - and maybe he has in those baskets of figures that he or other Ministers carry around, that he can measure up the amount of money that the province spends on its stay option program to provide for what it considers to be special needs in the rural areas. How does that match up with the special needs of the city and do the two balance out? In other words are we getting our fair deal for the kinds of problems we face. Because the fact of the matter is that the city does and must share many of those kinds of problems which have either benefits or carry-over effects that reverberate throughout the entire province. I would simply like to know. I have never seen, Mr. Chairman, in this House, I don't think anyone has ever seen a budget statement on what the stay option costs are. How much money is being applied over and above the normal standards to aid and abet the problems of rural disparity, which I happen to agree with. I have no opposition to the stay option program, I think it's a good program and a necessary one. But I'm asking where's the stay option for the City of Winnipeg?

Because the other side of the problem is I don't think the stay option is working very well. If the purpose of stay option is to somehow stem the flow of people from the rural areas to the city then it's not working because the flow is continuing. It's going unabated and the fact of the matter is that the City of Winnipeg as a settlement, must bear in many cases the costs of all that movement that's coming in. It must bear the enormous costs of dealing with a lot of people who come in unprepared for city life in

## SUPPLY - URBAN AFFAIRS

(MR. AXWORTHY cont'd) . . . . terms of education, of job skills, of employment, of health care and everything else. It is the City of Winnipeg that must bear it. So I'm really asking, where is our option program? Where is the answer for the City of Winnipeg to aid in its extra problems?

Let me raise another issue along the same line. The Minister again refers to the problems of New York. What's happening in New York City? Well one of the things that occurred in New York which caused its fiscal problems was that city government is very much service government. Close to 80 or 90 percent of its budget goes to pay for people. It pays for policemen, teachers, health workers, civil servants, firemen. So it's not a resource industry; it's not a manufacturing industry; it's a service industry. One of the first things you realize about a service industry is it is unable to maintain the kind of productivity levels that you'd find in other sectors of the economy. As a result, Mr. Chairman, when you're dealing almost entirely in a service type of function and you can't improve your productivity because you can't ask the school teacher, you know, you're not going to say we've got 30 kids in the classroom now teach 50 to improve your productivity; you're not going to ask the city civil servant to push twice as much paper across his desk - you can ask him but he's not going to do it; you're not going to ask the fireman to put out twice the number of fires, so where do you get your productivity?

The problem, Mr. Chairman, is that you don't. You can't get that kind of productivity. In fact if you look at some of the costs - we were involved in doing a study for the Police Commission this summer. One of the interesting things that I found out is that a large part of the crime that's committed in the core area, if you look at the addresses of the people committing that crime, a large number of them have very recent addresses in the city meaning they have moved in from elsewhere. So the very severe extra cost being borne by the Police Department of the City of Winnipeg to deal with the problem of crime in our core area is dealing oftentimes with a problem that's being imported from elsewhere. There's nothing we can do about it. I don't think there is any community, there is simply nowhere in the world where they've been successfully able to stem the flow of people into the urban areas. So you have to simply accept that that is the way it seems the world is going. If it's going that way then at least we should be asking the question, to what degree is the Province of Manitoba responding to the urban problem in its context, and how adequate are the responses?

I think, Mr. Chairman, it's in that way that we have to ask where have the responses been. Well one of them has been Unicity. I think that I don't agree with the Leader of the Opposition, in fact I very rarely do, I find. I don't think that it's all as bad as he paints it. But one thing is true about Unicity. It wasn't the answer to the city problem. It was a partial answer; it made some difference in a uniform tax base; sort of equalized so that the people of St. James and Tuxedo would have to pay their fair share of the cost of the whole city. That was one of the reasons for bringing it in which was a good reason. It has provided certain equity and a certain equitable balance in terms of the city itself.

But structural reforms, twisting around of penal institutions, setting up a new structure of mayors and commissioners is not the answer to the economic problems of the city. To try to sell Unicity as being "the" provincial answer to the economic ailments of Winnipeg is simply saying that we're giving an aspirin to cure cancer. That is not an answer; it is a partial answer; it's a limited answer. It is only a peripheral answer. It may even have been a necessary one in part. But the question we're asking now is, okay, you've done it. What are you doing for me today? Not what did you do for me yesterday? Because you can't stand still. I guess a lesson of life is you can't be static.

The problem is that we've become frozen in this kind of debate that says, is Unicity good or bad? What we should be asking is what's working now? If Unicity wasn't the answer, if the old theories about regional government didn't work, then we should be saying let's find something that does work. Because while we're engaging in interesting historical debate the problems and the economic difficulties increase and aid and abet. So I would claim that Unicity was not "the" answer for the economic ailments.

## SUPPLY - URBAN AFFAIRS

(MR. AXWORTHY cont'd)

Let's look at the other thing that's been put forward by members opposite. They say, well we are in the forefront of innovation by transferring the tax points, the two percent and the one percent. Well interesting, Mr. Speaker. The Minister raised the issue and he read about a conference in Toronto on taxation which I happened to be at by some coincidence, which was an interesting conference because they said some very interesting things about the way we should be financing, senior levels should be financing cities, that went far beyond the article that the Minister read to us. One thing that we found out is that in fact this innovation of the two points and the one point, really when you add up the numbers of dollars, haven't added up to any more dollars. I mean it's nice to say we're giving you the growth taxes but the city can legitimately ask, "Hey, that's really great but does it give us more money?" Well it hasn't because if you add up the \$13 million that they got before in the unconditional grant program and add up the natural increment this year according to the percentage points, the 17 million, it's about the same growth that occurred between '74 and '73 and backwards in percentage terms.

This is the case I'd like to make, Mr. Chairman, is that right now the City of Winnipeg, of almost any city, receives less support from a senior level of government than any other city, except I think with one province. I had some figures that came from the Canadian Tax Foundation which pointed out that provincial aid provides only 40 percent of the support in the City of Winnipeg as compared to 47 percent in the City of Regina, 51 percent for the Cities of Calgary and Edmonton. In other words they may not be as slick in their packaging of the financial reforms but it seems, Mr. Chairman, that they're giving more money to the cities. You know that in terms of the end dollars it seems that they're getting more when you come back to it. That's one series of figures. The other set of figures I'd offer is again in a study that the housebuilders did, the HUDAC Economic Research Committee, which points out that Winnipeg as a city has close to - 77 percent of the city's revenues are derived from the real property taxes which is the highest level of any city in Canada. Now, Mr. Chairman, I can't judge on the veracity of these figures but it's been done by a research committee and paid for by both the Federal Government and a large business organization and they make that claim, that in fact we carry in the city the heaviest burden of realty taxes even with all the interesting new devices that are being provided, which again seems to point that those tax points really don't add up to an awful lot. Then the Member for St. Johns - I keep forgetting, I keep wanting to say Minister of St. Johns because he seems to keep talking like one - says to us, yes but we've offered other taxes. If they want to get in on the income tax just let them tell us. Well there's a couple problems with that. First it's not the City of Winnipeg that gets in on the growth taxes.

According to the Budget Speech made by the Minister of Finance, the First Minister, last year it has to be agreement by all the municipalities. Somehow they had to come together. I think it's going to be pretty difficult to get Starbuck agreeing with Winnipeg about what kind of taxes they should share. It hasn't really been clearly defined as to who agrees to what. It's been left kind of open-ended and unstated. Therefore what kind of agreements are to be made? I think it's pretty difficult to try and put a community of 5,000 into the same basket as a community of 600,000. They have very different needs and very different income requirements. So they're not going to agree. It seemed to be indicating in that one of the hidden hookers in that hand that the Minister dealt out last year was that we somehow get agreement between all kinds of municipalities, not just "the" City of Winnipeg.

Secondly, Mr. Speaker, I offer this from an economic point of view. It's very difficult for one municipal jurisdiction like the City of Winnipeg to agree to a raise in an income tax proportion in its own area. I'll tell you why. Because one thing that would happen is that we are dealing in a smaller regional area. If an industry is coming and deciding to settle between Winnipeg and Edmonton and looks up the respective tax rates and it's much higher in Winnipeg than it is in Edmonton, I'll tell you where that industry is going to go. So therefore any city has to be very careful that it doesn't get into the position where it outcompetes itself in terms of the attraction of its tax base. Therefore,



## SUPPLY - URBAN AFFAIRS

(MR. AXWORTHY cont'd) . . . .Mr. Chairman, the fact of the matter is if you're going to apply taxes across the board they have to be on a provincial-wide basis. That's why I'm trying to make the case, Mr. Chairman, that the special needs of the city really require a special kind of grant program to respond to particular specific details of the economic dilemma the city faces.

I'll give you an example for it. We say, okay we as a city must bear in many cases the responsibility of educating or policing or servicing many people who move in from rural Manitoba. That costs an awful lot of extra money. I think that you only have to look at the kinds of difficulties the city school boards have in dealing with the inner city school problem and you'll realize that problem. They need an awful lot of help, Mr. Chairman, a great deal of help. Yet the school formulas that we apply are standard across the board, no extra impact finances, no extra revenue. The schools are treated there like they are everywhere else. Yet the fact of the matter is in the inner city schools, most of the population as I pointed out in previous remarks has a transiency rate of about 75 or 80 percent and one reason is because a lot of them are coming in from small communities, reserves. Many of them are native children; many of them come in with different language problems and we must educate them in the City of Winnipeg. We must bear extra costs and we receive no extra assistance or revenue from the Province of Manitoba for doing that task. Yet, Mr. Chairman, if we don't do the task then the whole province suffers for it. So we're really saying the City of Winnipeg can take an extra cut in its own budget and put the extra burden on its own taxpayers for problems which are provincial-wide in scope and provincial-wide in responsibility.

Therefore, Mr. Chairman, I would make the case that it requires a special effort by this province not to say that we're any better or any worse than any other province but as we come to wrestle with the problem, let's recognize what is happening inside the City of Winnipeg and the kinds of things that have been taking place in the last five years and realize that probably we need our own form of stay option. We need our own form of special kind of program to deal with our special kind of needs. All that we're asking for is a fair share. If the province in its wisdom, and a wisdom that I agree with, says that there are special problems of rural poverty, special problems of making sure that people have options and choices in smaller communities outside the city, I say that's fine and I agree with that.

But I want to see an accounting. I want to say if they're going to get something extra what happens here because we have exactly the same kind of problem. In fact, Mr. Chairman, I make the case that in many respects we have more because there is 60 percent of the population here and I would say an awful lot bigger percentage of many of the social problems.

It leads me to the final point I want to make is that we are all now talking with great virtue of the problems of restraint. There's no question that as a province says to the city or the municipalities, "Okay, you guys, you're not getting any more this year. Cut back. Hold back." The experience has been and I simply recall the remarks of Tom Pluncket who was an adviser well known to the Minister who has done a lot of work in this Provincial Government. In a report that he's printed out he's said the first cuts that cities make are not in their hardware program, not in their sort of public works expenditures. Do you know what gets cut? What really gets cut are the special programs that deal with the disadvantaged, with the low income, on the social side of the problem. Those are the first programs that come under the knife. So what we're really doing is we're saying, Mr. Chairman, in this sort of get tough on the city's line, what we're really saying is that we are going back against the principle which is so dear to the heart of the members on the other side and that is the redistribution of income. We're really saying that the people who suffer the cuts and the restraints and the holdbacks are those who are least able to bear that experience. Because that's where the cities are going to cut back and they are cutting back now.

So, Mr. Chairman, we're doing a very interesting case of double accounting on this one. We're not really saving any money at all; we're simply forestalling problems. We're simply putting them back to another day so that this province can announce in its Estimates that it only spent 11.6 or 12.2 or whatever the figure was. That is not a proper figure,

## SUPPLY - URBAN AFFAIRS

(MR. AXWORTHY cont'd) . . . . Mr. Speaker, and it's not a proper way to go about dealing with the problems of this city because in fact we're simply putting off an awful lot of problems which are going to grow and multiply unless they're answered today. I would say, and I agree with the remarks made by other members, that trying to explain that by saying, well we're giving the property tax rebate, again is not a fair explanation. I would again point the Minister to that Toronto Conference on Taxation where he said and admitted that the analysis now being made is that the property tax itself is far less regressive than we thought it was going to be. Therefore if the property tax credit was designed to meet the regressivity of property tax and the property tax was no longer as regressive as we thought it was that we should really . . . on property tax rebate and take the money instead and transfer it back into the area of the city so that they can deal with the direct social problems and social services that would otherwise be cut back. That would be the case I'd make to the Minister about the special needs of the city and why the province has to provide ways of dealing not only just with its fiscal dilemmas but with whole economic dilemma of the city. If we don't do that we in Winnipeg along with every other city in Canada are going to feel the same kinds of pains and aches that New York went through in terms of its massive hemorrhaging. I think we have many of the same kinds of problems, many of the same kinds of diseases in perhaps less virulent form but nonetheless still there. I think that it is a responsibility for us to find some answers rather than simply begging off and saying we're going to stonewall it this year and do nothing.

MR. DEPUTY SPEAKER: The Honourable Minister for Urban Affairs.

MR. MILLER: Mr. Speaker, the Member for Fort Rouge makes some very cogent points and some points that I agree with. There is no question a city the size of Winnipeg has got problems which are unique to a city, a metropolitan city. He's quite fair in saying that it's not unique to Winnipeg, it's in all metropolitan governments. However, he takes New York as an example and says, this is what we may be facing. He points to New York as an example of what can occur. What he ignores totally is the fact that this government has taken steps to avoid the kind of problems that New York City had. Because New York City for whatever its reasons, which go back historically to when it was founded and became the major city in the United States. The city provided services which the state wouldn't provide. The city was the only city, New York, in the country that had city universities which were I think tuition free. There was no tuition at all. They had city services which no other city had.

This government recognizes that the city cannot provide certain services and that's why when we moved in trying to meet the problems of the city we did something which other governments didn't do. We, for instance, took off the ceiling on the grants in lieu of taxes so whereas in 1969 the grants in lieu of taxes from the Provincial Government and Crown Corporations amounted to \$3½ million, today or at least 1975-76 - I don't know what it's going to be next year - it's now at \$12.3 million. So we recognize the fact that a problem existed and more money flowed to them.

He has mentioned the unconditional grants so I won't comment on that. We recognize that the inner city Health Departments had massive costs as did the city generally. We moved to eliminate the health unit costs. The province has absorbed them. When the province absorbs a service it's the same as if the province is paying money towards maintaining that service. But we absorb that cost now.

I indicated earlier the cost of capital construction for hospitals, they're now freed of that as well. The transit operating grants, well I needn't tell you the growth there. In '68 it was \$256,000, last year it was \$4.5 million. So we recognize there are problems in the city.

He mentions social problems and we are recognizing those. You know there's a milk program in the City of Winnipeg in which the province is participating and considerable dollars are going in because we recognize that the inner city in some of the schools there's a great need and so the province is participating quite separately from the Foundation Program.

He talks in terms of formulas which may apply to one community and as well to Winnipeg but it's not fair. I know that Winnipeg has a large welfare cost but Winnipeg,

## SUPPLY - URBAN AFFAIRS

(MR. MILLER cont'd) . . . .when it hits a mill, 80 percent of that cost is then paid back by the Province of Manitoba. So Winnipeg is the beneficiary even under that formula because of its higher cost and its greater problems.

The province has been moving to try to cope with the living conditions in the City of Winnipeg and that's why we have a public housing program, both for the elderly and family. I would like to see it bigger than it is; I wish it had gone faster. But let me tell you it's thousands of percents greater than ever before. We do not ask and we do not insist as every other province does that the city participate financially through capital and through operating subsidies. We relieve them of a cost. If you relieve them of a cost, it's even better than if you pay the money to share in a cost.

Assiniboine Park and Zoo was recognized as being unique in Manitoba so we simply took over the cost which left \$2 million more for the city to look after its services.

So, Mr. Chairman, I can appreciate what the member is saying and I agree that the metropolitan cities of this continent have problems which are unique to metropolitan cities and that the process of urbanization, which is not our phenomena but a phenomena across the world in every country, is taking place. It's inexorable; it's just taking place. In Manitoba we're trying to slow it down somewhat and that is why we have the stay option. That's why money is being spent in rural and northern Manitoba to try to slow down that exodus from those areas to the city. To the extent that we succeed even to slow it down, to retard it somewhat, we're relieving the city of some of the burden. But we are and have and will continue to try to meet those problems in a major city like Winnipeg which we recognize are unique to big cities and that we have an obligation and we've shown it over the years to try to deal with those problems in a meaningful way.

We took over the Law Courts Building which Winnipeg was saddled with for decades. We just took it off of their hands. It's our cost now. That is equivalent to giving them money which may look good on paper as saying look how much money we're giving you. But in fact we relieve them of the cost which I say is even better.

Mr. Chairman, I don't agree with them with regard to the property tax. I still think that the property tax credit is a very real way to flow the funds to people in need so in turn they can pay their taxes. They can be relieved of the heavy impact the property taxation would mean. As I said earlier a flow of funds so that the city can drop a mill or two on its taxation would benefit most the highest assessed properties in the city, the big buildings, as I said earlier, the Richardson Building, the Bay, those places, they would certainly save a great deal of property tax. But to the average homeowner, the low income earner, it would mean a very few dollars if that. So that simply to fund the city with more money so that they can lower a tax, a property tax by a mill or two, would not achieve the desired goals that I think even the Member for Fort Rouge would like to see as an objective.

MR. DEPUTY CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. Mr. Chairman, there has been quite a bit said tonight and I would only like to say this: that I appreciate the Minister's answers far more than I do others.

The thing that I would like to say first of all when he mentions St. James - Assiniboia the old St. James, when the government put the money in to put services to the airport, I would like to remind him and the House and I'm sure he remembers it, that there was a million dollar debenture floated by the City of St. James at that time so we could put services up and down streets and roads and to attract that industry. When we did get that industry and we became very prosperous in St. James-Assiniboia and Metro came along, there's one thing that hasn't been said tonight, is 57 percent of the business tax went to Metro to pay for shared services from the City of St. James. We paid a very large share of our business tax moneys over to Metro for shared services and we complained but we paid it and that's all there is to it. We complained bitterly but that is the rule and we paid it. I would say that if anybody else had made a rule of a senior government that we'd have to pay it we'd have paid it to them too. But we paid 57 percent.

One of the things that you have to talk about as far as the situation and structure in Winnipeg at the present time is first of all it was done with one stroke of the ax.

## SUPPLY - URBAN AFFAIRS

(MR. F. JOHNSTON) . . . . You went from 13 to 1 and we did have, we did have, whether people like the word or not, we did have a Metro structure where there wasn't more than three or four on the North American continent. We were far ahead of many other people by way of our situation in the Province of Manitoba where the City of Winnipeg was concerned. We were well ahead and we just ignored the good points of what was Metro when we went to one city we just said we ignore everything we've ever learned and with that one stroke of the ax went to one big city.

That bigness has created dollar problems. There is no question that the dollar problems were forecast and the dollar problems were there. New York has been mentioned, Mr. Chairman, and really I'm not completely familiar with it. But it would seem to me that they were in the position of just needing a little bit of help. But the Minister says they needed more help. They needed more help. They needed to do many of the things that the Provincial Government are doing for Winnipeg. They needed those things. The Minister has explained that we have done them or they have done them in Manitoba for Winnipeg. But they just needed a little bit more extra help. Well Mr. Chairman, that is what I have been trying to say tonight and previously. The City of Winnipeg at the present time and the cities and municipalities within Manitoba do need a little bit of extra help in this inflationary period. And if they'd have said to the City of New York, go and add some money to the personal tax or tax people more, that would have just made their problems worse. They didn't have the base. I have explained to you that the situation you're going to get into by the city's and municipalities' taxing is some day there'll be no room left for you and they are going to be the bad guys - and I'll say it again - because they're raising the taxes, and the government are the good guys by always giving back the money. Now if you are increasing your grant or you are increasing your rebate from 67 million to 77 million this year, I am saying to you that another \$10 million as help to the cities and municipalities in the Province of Manitoba would basically give the City of Winnipeg 14 million instead of 9, which is 5 million to help them out of their certain problems and help them over the hump they're in right now, and it would actually add an extra 5 million to be spread about the province to help their problems. You're just not recognizing the fact that the growth tax you're operating is not the answer right now. The answer is they need some extra dollars at the present time to get them over the hump in a very serious problem time. And the government insists that that is not so. Well it is so. It is so. They are in problems at the present time and they need that little extra help to get them over the hump. As I said earlier, they don't maybe need it forever but right now they do. Right now they do.

So Mr. Speaker, it's all very well to say that we've done all of this. And you know, I'm not here to argue that you've taken over certain things within the city. I'm not here to argue that you have granted them the two points and the chance for more. I can argue that again on the Finance Budget. I'm saying to the Minister of Urban Affairs that they need some extra help right now in the form of about \$10 more million. --(Interjection)-- Yeah. Oh, listen to the Minister - oh, you're going to give - you've increased the rebate which is going to make you look good, which is going to make you look damn good, but it's going to make them look like mean guys if they increase taxes. So look, it can be done to get them over the hump right now and you won't have all those problems.

Mr. Speaker, the Member from Fort Rouge is gone. He mentions the Stay Option program in the country. You know, your program with Unicity, your program that you have put into the City of Winnipeg, the structure that you've got them involved in could almost be called the Winnipeg Go Option Program, because you are basically having a situation of increasing taxes within this city and you're not giving the city enough help. Now I don't for one minute want to stand here, Mr. Chairman, and have anybody accuse me of saying a city is not responsible for raising their own money and running their own operation. I don't think anybody could have accused me of that when I was an alderman because I believe in it sincerely. The aldermen running this city at the present time have a responsibility to budget accordingly and they have the responsibility of being on the line if the taxes have to be raised to a certain extent. I don't say that they should be taken out from under those responsibilities in any way, shape or form. But I do say

## SUPPLY - URBAN AFFAIRS

(MR. JOHNSTON cont'd) . . . .at the present time you've got a situation in the City of Winnipeg and in the municipalities and other urban areas of Manitoba where they do need help.

You know, even the Minister of Mines has kind of admitted that some authority should be given back to the municipalities, he's going to let them decide on mosquitoes now. Well maybe they should be allowed to decide on a few other things. The Minister of Urban Affairs said earlier that maybe the time has come when people should make up their minds as to what they want within their district and if they don't want it and don't want to pay for it, they don't have to have it. That's another way of looking at economy. And the only way you're going to accomplish that is more economy within the local areas, aldermen and councillors are going to be making decisions and responsible to the people when they make them. The councillors in the local community committees right now don't have any responsibility other than to increase their budget so that somebody else won't get more than they do. So the system you're in is wrong. But just let me finish up by saying, believe me, they do need help a little more than they're going to get than you're presenting at the present time, and I really would like to see them say, our way out of this problem is just to keep asking the province to increase those points for us. Because as I said, and I still maintain it, and that will be argued across this House, you fellows are always the good guys giving it back and you'll have the cities and municipalities being the bad guys raising it.

MR. DEPUTY CHAIRMAN: The Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): Thank you, Mr. Chairman, I guess sitting in the back row, Mr. Chairman, it's difficult to get your attention. It reminds me, as I was mentioning just a moment ago to the Honourable Member for St. Johns, that a colleague of mine at City Council, Alf Skowron used to always complain because the Mayor could never see him standing up wishing to be recognized. But perhaps the Mayor was ignoring Alf Skowron for other reasons other than the reason that I am having trouble catching your attention.

Mr. Chairman, I'll try and keep my remarks brief because of the hour, and I'll try and stay on Administrative Salaries 112(b) and stay off Education and stay off Tourism and trips to Flin Flon and so on, as one of my colleagues went astray earlier today.

I'd firstly, Mr. Chairman, like to join the Minister of Urban Affairs and others that have made a comment about Mr. Currie's, the Deputy Minister of Urban Affairs' anticipated retirement. I've had the privilege of knowing Mr. Currie now for a few years through the Urban Association and from his days at Metro. But Mr. Currie as a resident of the Assiniboine Park Community Committee area, an area that I served in prior to joining this Chamber did come out on occasion to our community committee meetings and view them in operation. Usually he wanted to stay out of the debate and I fully respected his views.

Earlier this evening the Member for St. Johns made some reference to my colleague the Member for Sturgeon Creek in his comments about community committees. The Member for St. Johns said that many of the suburban councillors from years gone by wanted to keep small groups in their area that they would talk to and get advice from and therefore they would make the decisions sort of around the coffee cup, around the coffee table. I would say to the Member from St. Johns that in my experience the community committees work no different. You have very few people coming out and participating.

The one that I was involved in, which was Assiniboine Park, was a unique one. It was the only one within the City of Winnipeg Act that had some of the former suburban area and some of the former City of Winnipeg within it. All other community committees were composed of strictly either the former City of Winnipeg or of a suburban area. So we had a rather unique one. And the problems that we had to face in that particular community committee were not easy ones. It was not easy to tell that person from Tuxedo why his taxes were twice as much under Unicity as they were under the former town of Tuxedo. It was not easy to tell him that his garbage pickup was going to be only once a week rather than twice a week. It was not easy to tell that person from Tuxedo that on cold days, because of the unified police force that the policemen were not going to drive his little youngster to school, that policemen had bigger and better things to do. And it

## SUPPLY - URBAN AFFAIRS

(MR. STEEN cont'd) . . . . wasn't easy to tell the people in Charleswood that growth was obvious in that area, and that Charleswood was a very desirable place to live and that those that had been there before 1971 didn't have the God given right to stay there alone and keep others out. And it wasn't easy to tell the people in the former City of Winnipeg area that they had to join Charleswood and Tuxedo, indeed associate with them in their areas of recreation and be part of the Assiniboine Park Recreation Program, whereas they had been used to being part of the Fort Rouge - River Heights Recreation Program. So the period of adjustment for that particular community committee, the one that I was most familiar with, the period of adjustment was likely the greatest for that particular community committee area.

But as a councillor in the former City of Winnipeg prior to the Unicity I was a firm believer as the Member of Fort Rouge had stated that the former inner city area of Winnipeg often got saddled with many of the high expenditures, as it was happening each and every year there were more people moving out of the former City of Winnipeg to live in suburban areas, newer residential areas, and that the City of Winnipeg after 11:00 o'clock at night virtually closed up, and it was strictly a place for people to go and earn their livings and so on. So therefore something had to be done. And I give the Minister credit. As he said the other day I believe, that it took guts and courage to do something with the municipal structure that we face. Perhaps if I had been a member of this Chamber back in 1971 I might have voted as the then Member of Fort Rouge did in favour of some form of amalgamation. Although I do agree with my colleague from Sturgeon Creek that perhaps the adjustment from thirteen communities to one was too far, too fast at one step, and that some other temporary adjustment should have taken place. But that's hindsight. We can't turn the clock back. We've got to look to 1976 and 1977 and there on.

I give the Minister credit for - and I trust that the Minister is responsible for the appointment of the commission that is going to look into and review the City of Winnipeg Act. And I hope and I look forward to next year taking part in the debates when that legislation is presented before this House.

One thing that I'd like to comment on, and this is a very difficult area for elected persons to comment on, and that is the original indemnities that were paid to the new councillors for the inner city. It was mentioned earlier today by the Minister of Mines and Resources in another comment that he made something like this: "57 varieties like Heinz 57". I sort of feel that the indemnities were struck at \$5,700 a year because we 57 legislators here times \$100, and that's how you have struck off the original rate of pay or indemnity. But the legislation did permit the councillors to increase their indemnities if they so wished. And naturally they did, because \$5,700 and the workload under the City of Winnipeg was an extremely heavy one compared to what councillors had put in in their small jurisdictions prior to the Unicity Bill being passed.

While I was on the former City of Winnipeg Council, if we had two and three meetings a week, that was considered a busy week. Under Unicity, I often had as many as seven and eight meetings a week to attend. So it was a much more time-taking task than the former City of Winnipeg and we were always a lot busier than the Town of Tuxedo and the councils in Charleswood. The Town of Tuxedo actually met at the Carleton Club I believe for most of their meetings.

## SUPPLY - URBAN AFFAIRS

(MR. STEEN cont'd) . . . . .

The Member for St. Johns earlier mentioned a comment about trade-offs, and he said that he wasn't sure whether trade-offs really took place or not but he had heard this. I think that even in the Provincial Government that there's trade-offs. I'm sure that there are different members that go to the Minister of Highways and say that I would like to have a certain road rebuilt or hard surfaced and so on and try and work out a deal ahead of one of his colleagues. I'm sure that happened in the Conservative Government days and I'm positive that's happening today in this present government. And I know that in the City of Winnipeg that the budget would only stand for so many additions to community centres in any given year. And every councillor wanted to have a new community centre in his area or have an addition added on to it, or wanted to have a major artery resurfaced or reconstructed, and the only way that he got it, or she got it, was to give and take with their fellow councillors. I don't think there's anything dishonest about giving and taking with your fellow councillors as there is within the Cabinet or the caucus of the government of the day. We all can't have the new facilities each and every year. We've got to give and take. And that's what I call a trade-off and I don't think there's anything illegal or dishonest about a trade-off under those terms.

The Minister of Urban Affairs has said that in his opinion that the council if it were greatly reduced may not work more efficiently. I agree with that statement. It's not likely to if it was reduced in half, there's no guarantee that it's going to work better. I believe that a councillor today represents approximately 10,000 or 11,000 persons. We in this Chamber represent about 17,000 to 18,000 persons. The number of calls that a councillor gets at his home regarding poor garbage pickup; lack of snow removal or boulevards in the inner city area not being mowed often enough; lack of street cleaning, burnt out street lights. Mosquitoes, as the Member for Assiniboia says, I had many of them last year and I always told the people to phone the Minister of Mines and Resources, he was the person to see. All the dog problems in the City of Winnipeg, I think every second home must own a dog. And the number of calls that a councillor gets in comparison to members of this Legislative Assembly, I don't think there is any comparison. As a councillor I got many calls, many more than I get as a member of the Legislature, and I have chatted with councillors from very difficult wards to look after and they have had many many calls. I have talked to many members of the Legislature who have served in the municipal arena and they say it's like night and day. It's not the same. You're not nearly as close to your people as a legislator as a councillor is, or either your telephone number isn't as readily available to the person on the other end of the phone.

I represent a good urban area.--(Interjection)--Yes, the Member for St. Johns was a councillor, a school trustee and a Metro councillor, and I am sure that he would agree with me that as a straight member of the Legislature that the number of calls he gets today is not to what it was when he was a councillor. He's nodding his head and agreeing with me. And I'm sure that the Minister of Urban Affairs will relate the same experiences from his days as Mayor of West Kildonan. It's not the same. But if we reverted and wanted to get away from the trade-offs that I mentioned earlier, we'd have to go to the very large ward system or elect all councillors at large in the city so that nobody would have greater access to one councillor than another. But then I don't know how a councillor could look after 535,000 people. When I was on the former City of Winnipeg council for Ward 1, we had 110,000 people. I was fortunate, my name wasn't as well known as Bob Taft's and the late Leonard Claydon and the late Gurzon Harvey, so I didn't get in my first year nearly the number of calls that those three persons did. But after two of them had passed away and the workload was put on the shoulders of four of us, my phone was ringing day and night. So I'm not sure that if we went to less councillors that the workload could be efficiently and equitably handled by councillors representing areas much larger than 10,000 people. But certainly putting 50 councillors around the Council Chamber every second Wednesday evening and hoping that they can hammer out the business that has transpired through committees for the past two weeks in one evening and doing it in a sane way, it doesn't work. So they have either got to go to a system where they sort of sit as a mini legislature or sit in community committees and send down a

## SUPPLY - URBAN AFFAIRS

(MR. STEEN cont'd) . . . . . portion of the representation from that community committee. For example: the community committee of St. James presently has six councillors sending two down to the downtown meeting representing the views of the people of St. James. So that you would end up with 12 or 16 or 18 councillors around the main council table. I don't know what the answer is. I will look forward to seeing the report of the Review Committee of next year and taking part in that debate.

The Minister of Mines and Resources Tuesday evening I guess it was, made some remark regarding tax rebates and how he believes that that system that is currently in use by the present Provincial Government is the finest taxing system there is. There is a lot of advantages to that tax rebate system. It wasn't invented by the present government. I remember the Roblin Government doing it for education taxes. I know of other provinces that do it so it's not something that he invented. I would hope that, as he supports that system, that he doesn't forget the commercial tax base in Winnipeg.

The Minister has often made reference during his answers to questions about the Richardson Building and the Royal Bank Building and so on. There is a limit that these buildings can pay in the way of taxes because there is a limit to what we as tenants who rent office spaces in those buildings can pay in the form of rent. So I would just hope that the Minister of Urban Affairs and his colleagues would strike a happy balance. There must be a happy balance somewhere.

The Minister in his remarks the other day talked about tri-level government. I had one major experience with the tri-level government and it was one that he referred to as well. That was the Midland Railway removal in the central part of the city. In 1970 I, as Chairman of the Parks and Recreation Committee of the former City of Winnipeg, went with the Chairman of the then Committee on Urban Planning, Lloyd Stinson, who is known to many across, before the Kinsmen Club of Winnipeg and we put a proposal before them to build a park on a portion of the 22 some odd acres that was being turned over to the City of Winnipeg. This park was going to be in the neighbourhood of five, five and a half to six acres. The Kinsmen Club of Winnipeg bought the idea and said, yes, we will put \$100,000 up. Just this past year the Premier had the official opening. So it took five years between the former City of Winnipeg, the transition to the new City of Winnipeg, dealing with the Provincial Government and dealing with the Federal Government, because they paid 50 percent of the freight and the province 25 and the municipal governments 25. All the red tape in dealing with three levels of government, dealing with the railway, with the packing company that refused to move, the people in the area that wanted to have the recreation of a certain design, and then there was another group that wanted to have ball fields and there was another group that just wanted to have indoor buildings so that they could have home care centres and day care centres and so on. Dealing with three levels of government plus people in the area, plus law suits that are facing all three levels of government has taken that particular project over five years to get started. I say, as an elected representative, that there must be a way of streamlining the operation between the tri-level governments. I don't know, as a member of that particular Kinsmen Club, how often I had to tell the fellows, leave the money in the trust fund. Some day something will happen. It's a young men's service club and we have a great turnover in Kinsmen because you can't be in it beyond 40 and with transfers and people changing vocations and so on we have quite a turnover. At the time we had the sod turning there was a third of the membership of 1975 was there in 1970 when the project was passed. It's very discouraging to try and tell these young people that are very good fund raisers in the community that there are delays but we can't blame any one section of the community for the delays.

The Minister of Mines and Resources mentioned the other day that when the Conservatives get into government - and I'm glad that he sees that there is a possibility that the Conservatives might return to government because I believe that there is a very good possibility - that they will likely re-institute hospital premiums and medical premiums and many other things like that. Well I would like to assure the Minister that we will give credit where credit is due and we will likely respect many of the good social programs that his government has put into force much as Premier Lougheed in Alberta



## SUPPLY - URBAN AFFAIRS

(MR. STEEN cont'd) . . . . did with the Social Credit Government that had preceded him for 35 years, and much as you did when you took over from the Conservatives, you didn't change everything and undo everything. So many of the progressive social changes that your government has brought into force I am sure will remain in force after we have become the government.

I would just like to comment, and there has been many people who have spoken on the Urban Affairs Estimates talking about dollars and cents and taxes and so on, just remind the members that are still with us at this late hour that there is one difference between urban governments and Provincial and Federal Governments. That is that urban government's payroll is approximately 70 or 80 percent of their total budget. Provincial and Federal Governments the payroll is not to the same high percentage, and so during inflationary times like we're going through now, the escalation in the budgets for Municipal Governments is growing at a faster rate than the other levels of government. So there is reason for the Municipal Governments to require and need greater increased financing. I'm pleased to hear that the Minister says that it will be approximately \$17 per capita. He claims that it's gone up from \$3.00 per capita since our party was in government. This I take my hat off to him for. I hope that he will continue to give the cities more because they need it desperately. As the Member for Fort Rouge said, that the City of Winnipeg is not too much unlike the City of New York and I said that in my speech when I spoke to the House during the Throne Speech Debate, that the City of Winnipeg is getting to be in a desperate position and it is going to need increasing help constantly from the Provincial Government. But I agree with the Minister who said earlier that the City of Winnipeg is no different than any other city. This is a common problem world-wide, that Municipal Governments are having difficulties financing.

He even mentioned various areas of taxation. I agree with the Member from Fort Rouge when he said that if a liquor tax were put on it would be very fair if it was put on province-wide and that the new rate of taxation, the revenues from it went to the municipalities. But I also agree with the Member from Sturgeon Creek that if we put it on within the City of Winnipeg and if it was at five or ten percent that the people will go elsewhere for their refreshments. If you don't think they will, please give me the liquor outlet at about Starbuck. I will gladly give up my seat in the House and take over the liquor outlet at Starbuck if you would give it to me for a five or six year period. Then I could afford to live perhaps in Florida forever and ever because I know that I'll do a thriving business.

MR. GREEN: You're still a trader eh?

MR. STEEN: Sure, always trade off. I hope you mean trader in the form of trading off.

Mr. Minister, I would hope that in the years to come that this government, as long as they're in office will continue to assist the municipalities, particularly the City of Winnipeg, the area that I'm most familiar with and find means and ways of giving them increased financing to look after their high payroll which as I said earlier was 70 or 80 percent. There is nothing they can do in cutting back on administrative salaries. They can take a few minor road programs out and they can cut out programs within the Parks and Recreation Department and so on but these are such a small percentage of their total budget that it is very difficult to cut in those particular areas as I'm sure he remembers from his days in the City of West Kildonan. So it would be my hope that increased financing is coming to the cities in the future.

MR. CHAIRMAN: Resolution 112(b)--pass; (c)--pass; Resolution 112(d)--pass; Resolution 113(a)--pass? The Honourable Member for Rhineland. The Honourable Minister.

MR. GREEN: Mr. Chairman, I wonder if the honourable member would object if we called it a night.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain items, has instructed me to report same and asks leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment having arrived the House is adjourned and will stand adjourned until 10 a.m. tomorrow morning. (Friday)